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# ***JPRS Report***

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# **East Europe**

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# East Europe

JPRS-EER-89-133

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## CZECHOSLOVAKIA

### Report of Socialist Party Central Committee Plenum

90EC0039A Prague SVOBODNE SLOVO in Czech  
5 Oct 89 p 3

[From the report of the Presidium of the Czechoslovak Socialist Party Central Committee, presented at the Plenum of the Central Committee by Oldrich Bursky: "Morality and Education Foremost Concern of Party"; date and place not given]

[Text] The terms morality, morals, ethics, are today, in the time of social restructuring, among terms ever more often used. That is no accident, because the success of the policy of social restructuring is inseparably bound to a restructuring of the spiritual and moral life of our society as well. The development of socialist democracy is unthinkable without the development of socialist morality, not only of morality professed, but practiced. And vice versa: the development of socialist morality is inseparable from a democratic climate in society.

The enduring and increased attention which we in the Czechoslovak Socialist Party give to the problems of the moral life of society stems from the ideological principles which we profess and the concept of socialism based on them.

At the 7th Plenum of our Central Committee in November of last year we stated: "Even though we do not wish to dramatize the findings concerning the moral state of our society, nevertheless we think that we must not lose a minute and in our present and future efforts give the care for the moral health of our society the priority which rightly belongs to it." Today these words have even more urgency than they did a year ago when we spoke them.

#### Urgent Tasks

If we wish to overcome today's unsatisfactory moral state of society, which manifests itself mostly in a weakened moral conscience, then we must aim at finding solutions to the following tasks:

by systematic, purposeful actions at a nationwide scale contribute to the limiting and removal of all factors which have a negative influence on the morality of society—and in this way gradually implement an entire complex of institutional measures (legislative and others),

by means of these institutional measures and guarantees create conditions for increasing the moral conscience of society, and particularly for forming such public opinion that would produce an atmosphere of profound implacability toward all morally negative phenomena which are the cause of the current unsatisfactory moral state of society and act as a brake on its normal, healthy development,

at the same time, it is essential to develop systematically education in ethics, which cannot be restricted only to the education of the maturing generation, because it equally concerns adults as well. Similarly as a continuing life-long education is becoming an obvious necessity in a modern society, an uninterrupted, life-long education in ethics is likewise becoming necessary.

In our opinion, the way out of today's unsatisfactory moral state of our society is, above all, a return to the moral roots from which we grew, a renewal of the belief in the basic, universally valid moral values.

#### Truthfulness as Well as Criticism

If we are talking about the political aspects of morality, we cannot silently pass over the problems of truthfulness and openness. Truth is not only a basic problem of human knowledge, but also a central moral problem.

Without truth, without relations of mutual trust based on it, normal human and social life is impossible. With the problem of truth is also closely tied the problem of criticism. Its suppression and an atmosphere which lacks criticism make it impossible to know the true needs of society and distort relations among people as well as the morality of society. For that reason, every action aimed at suppressing criticism, including the administrative intransigence toward those who criticize, is not only a callous offense against morality but also against society as a whole. What should criticism be like? Masaryk himself used to say that "criticism is not negation," that "correct criticism is above all a positive position."

Even a factually incorrect criticism should not be rejected without a good explanation why it is incorrect. The one who is being criticized not only has the obligation to answer the criticism, but also the right to exonerate himself of unjustified criticism.

Our society is not harmed so much by the appearance of some negative phenomenon as it is by a frequently occurring tendency to ignore such a phenomenon and not resolve it in time. The roots of this tendency, which is manifested especially by the postponing beyond tolerable limits of solutions to problems which have come to a head, must be looked for in bureaucratism and an eroded sense of moral responsibility.

#### Moral Responsibility

If we are considering the political aspects of morality, then in no way can we omit the problems of political and moral responsibility.

All of us are objectively co-responsible for the fate of the society in which we live, but to a considerably different degree concordant with the actual possibility to make decisions to shape that fate. Who has great authority and has great amount of information at his disposal bears quite reasonably also a corresponding objective responsibility, and vice versa. Similarly, a person cannot be

held responsible for something over which in view of his position and function in society he had no influence.

Let us not forget that ultimately every political act is subject to moral judgment and evaluation. No one who engages in public activities can escape this judgment. Who appropriates for himself too much authority and is unable to make decisions within its scope effectively and in accord with universally recognized moral principles, cannot be surprised if he is accused of irresponsibility.

Let us not forget that even collective decision making does not relieve the public functionary or political worker of personal moral responsibility, because by participating in the decision making of some political agency, he makes decisions not only about his activities and his fate, but also about the activities and fate of others.

In this connection it is necessary to give some thought also to the question of the so-called unanimity. Unanimity is often exalted as a political virtue. But it is necessary to distinguish between formal unanimity and a real one. Formal "unanimity", which flows from a mechanical subordination to a "done" position, does not benefit either the moral health of society or its real unanimity. It does not stand up when put to serious tests which life brings and, in addition, it totally stifles active, creative work so necessary for a healthy development of society.

#### **Importance of Upbringing and Education**

A high educational level is the basic requisite for a dignified existence of a small nation, which can overcome its numerical limitations only by the quality and intensity of its spiritual life. This is what was recognized by Komensky, Palacky, and the first president of our republic, who emphasized: "We have to constantly keep in mind that we are a small nation, in an unfavorable geographical position: in practice that enjoins us to have more get-up-and-go, to think more, achieve more than others; or, according to Palacky: every Czech and Slovak patriot must do three-times as much as members of large, better situated nations. Just take the fact that every one of our educated fellow citizens needs to learn at least two foreign languages—how much time and work that takes. But what a gain that is, not only for education but also for practical contacts with nations. And so it is with everything: if we are to give an honorable account of ourselves, we must thoroughly intensify all our political and cultural efforts. Yes, it takes work; but those who do not wish to undertake it, let them not talk about the nation and patriotism."

#### **Clear the Way for Talented People**

The Czechoslovak Socialist Party wants to contribute by its activities to the development of education and upbringing in accord with our national, humanitarian, and democratic traditions, in accord with the traditions of a country in which school and teachers played a deciding role in preserving the Czech nationality, in

accord with the needs of a nation which in its history belonged among the most educated. In order to attain this goal it will be necessary to restructure our educational system, which in its present form is one of the barriers to the further development of our society. It must be said that the requirement of a standard school where the differentiation of students is completely eliminated was never an educational requirement but strictly a political one.

Simply: within the framework of a standard school, which is in accord with the principle of the democratization of education, the education of talented students should not have been forgotten. What enormous importance the search for and education of talented people has, can today be best observed in countries which stand in the forefront of the technological progress in the world. Therefore, identifying all talented students and giving them systematic support for their continued development is one of the basic requirements for the development of our society.

#### **We Are for Restructuring the Educational System**

The Czechoslovak Socialist Party is in favor of restructuring our present educational system into an open system, which will be in accord with the scientific developments in the world as well as with our own domestic educational traditions. We request, therefore, that within the framework of a standard primary school the principle of a timely and distinct differentiation among talents be consistently applied, beginning already with the 5th grade, while allowing for intermingling between both differentiated groups of students. The application of the principle of intermingling between the differentiated groups will also have a beneficial effect on a healthy competitiveness among students.

We were pleased, of course, at the introduction of mandatory 10-year school attendance, which in its essence is a deepening of the democratization of education because it provides everyone with a high school education. But the present plan, under which all students after completing the primary school must continue attending high school or a vocational training institution for 2 years we do not consider to be very fortunate. We know very well from practice that there are students who show already in primary school a profound disinterest in learning. At the same time, many of them have a great manual dexterity. But 2 additional years of mandatory school attendance become an agony for them as well as for the teachers. And, of course, they also impair the quality of the educational process in the class where they have to suffer through those 2 years. We are of the opinion that it would do our educational system and those individuals much more good if we were to return to the 2-year high school in the manner of the former so-called continuing school, which would better answer the individual specific qualities of this segment of our young people. Of course, in this group are also individuals who are totally "uneducable." In such isolated instances we are in favor of granting them on the basis of

their own request and the request of their parents an exception from the 10-year mandatory school attendance and facilitating their transition to practical life at the age of 16. In this connection, we also favor the restoration of the 2-year high school for girls of the type of the former schools of domestic science.

### Young People and Our History

In schools of all types and levels room must be made for the teaching of data processing and computer technology, esthetics (arts and music), ecology, and sex education.

In connection with the urgent tasks in the area of moral education and education in patriotism which is closely linked to it, we consider it absolutely essential, in view of the impaired historical consciousness of our young generation, to increase the number of class hours in primary schools for the subjects of history, Czech language, and literature by one hour a week. As the goal of the teaching of history, a good knowledge of the nation's history must be included in the curriculum. The teaching of our history must not be limited to mere historiography, the main point is to see to it that the young generation gets thoroughly familiar with the historical experiences of our nation and with its progressive, profoundly democratic and humanitarian traditions. They should have before their eyes an entire constellation of important figures from our national history, who remain to this day inspirational moral examples. It is our position that history should be taught in high schools until graduation, which is not the case at present. In teaching world history in high schools the aim should be above all to perceive the connections between our history and world history.

### Fill in 'Blank Areas'

If the teaching of history and literature in the Czech language is to really fulfill its educational goal, particularly in relation to moral and patriotic teaching, then it is essential to fill in with dispatch all so-called "blank areas" from history and the history of literature and give their exposition the maximum of truth and objectivity. That happens to be the only way which can lead to the overcoming of the current impaired historical consciousness and moral sense of our society.

The subject of civics must also help promote citizenship awareness and formulation of positive moral characteristics of the young generation. At the same time, the content of the United Nations Universal Charter on Human Rights should also be included in the civics curriculum, as well as other internationally adopted documents on human rights and humanitarian questions. In explaining these documents it is essential not only to explain to pupils and students the connections between the principles stated in these documents and the universal human moral principles, but it is also advisable to point out to them that at the beginning of the long history of the effort to make the world humane, which finally resulted in the signing of these international

documents, our nation was also present. It can be concretely demonstrated, for instance, by article 18 of the United Nations Covenant on Civil and Political Rights of 1986, which deals with the right to freedom of thought, conscience, and religion, and which expresses in a modern form that which was also included in the Bohemian Confession of 1575, and which the Czech estates were also successful in enforcing politically in 1609 in the so-called "Majestat" [Rudolf II's Letter of Majesty]. The fact that Bohemia at the beginning of the 17th century enjoyed the relatively greatest degree of freedom of thought in the Europe of that time, cannot but evoke in the students feelings of justified national pride.

### Knowledge of Foreign Languages

We consider a basic, qualitative change in the teaching of foreign languages to be an urgent need of our educational system. Today, unfortunately, we are far behind the developed European countries. The goal must be for all high school graduates to be able to communicate in two other languages besides their own. That will require not only basic changes in the now generally used methods of teaching, but also increasing the number of class hours of foreign languages to an average of 4 hours a week, while giving greater emphasis to conversation, which of course requires dividing classes into conversation groups. It is not only possible, but actually necessary, to stimulate learning of foreign languages by using them in practice. That means: to increase to the greatest extent possible travels by young people abroad, particularly by reciprocal exchanges. Let us not forget that travel by young people abroad not only has its language side but also an educational one, and in addition strengthens their feelings of patriotism, international understanding, and simple human commonality.

Physical education is also of key importance in education. It, together with proper nourishment and sufficient spontaneous exercise during free time, creates conditions for a harmonic, healthy growth and physical development of children and young people. After all, only in a sound body is there a sound mind.

The results of medical examinations of children, pupils in primary schools, students, and recruits give evidence that in this area, too, we must pay more attention.

I have in mind increasing the number of hours for basic physical education, an efficient use of school gymnasiums, and creating physical education clubs for special-interest physical education, as well as directing the activities of pioneer and youth organizations toward improving the physical condition and state of health of the young generation.

### Revise Curricula

It is possible that our suggestions can meet with the objection that the demand for increasing the number of class hours for some subjects, or possibly the introduction of more subjects, cannot be realized, if only because

of the limited amount of class time available and with regard to other subjects. But we are convinced that possibilities for it exist. First of all, it is necessary to carry out a truly conscientious and total revision of the existing teaching curricula and reduce the excess of less essential pieces of knowledge to a minimum in all subjects. School, after all, must in the first place lead students toward independent, logical thinking, and second, it must teach students how to find all the other information they need on their own. Further, it would be worth thinking about introducing 40-minute class sessions instead of the current 45-minute sessions, because no student can sustain a full 45 minutes of concentrated attention anyway. That would make it possible to intensify work during classes. And finally, all influences from outside the school, which impair the educational process and have very little to do with the actual, true education of the young generation, need to be eliminated from the school. Then there will be a sufficient amount of time in our schools for such a level of education that is necessary for the entry into the third millennium.

#### **What Educational System Needs**

An overall restoration to health of the moral climate of our society requires achieving an independent teaching process and an objective evaluation of pupils and students exclusively on the basis of their talents and work results. Equally necessary in this respect is the requirement which we expressed at the 9th Plenum of our Central Committee in May of this year:

"In the area of higher education, it is necessary to broaden substantially the principle of academic autonomy and the influence of faculty collectives in institutions of higher learning not only on the content and method of teaching but also on the appointments of academic functionaries and the granting of academic degrees, and to limit non-academic and non-pedagogic influences to a minimum."

If we speak today about the political aspects of morality, upbringing, and education, then we also cannot avoid the problem of the starting salaries of college graduates. In this respect we obviously hold the world preeminence. Not only because the salaries are well below the nationwide average, but, more than that, we make social welfare cases out of college graduates who often already have families. We consider this phenomenon immoral, which should not appear in a socialist state and which represents also one of the factors acting as a break on a dynamic intellectual development of our society.

#### **Mother Belongs With Children**

Not only the school shares in the upbringing of the young generation, but family and society as well. Let us pause to think about how much these institutions today owe the young generation in the matter of upbringing. Komensky himself already knew that up to the age of 3 the role of the mother is practically irreplaceable. If by a certain age a child does not acquire certain habits and

principles of proper behavior toward others, if it does not acquire a proper value orientation, then most likely it will never acquire them. But what does our society do to meet the needs of mothers? In spite of the proclaimed equality of partners, they are in a constant, nerve-racking merry-go-round between the workplace, the school, the need to pick up the children on time, to do the shopping in time—and the household, to ensure that it functions normally while services function poorly. The divorce rate is growing, one out of three marriages ends in divorce, and the number of incomplete families is increasing. Part of the problem lies in the fact that only 25 percent of married couples have their own apartment at the beginning of their married life, and after 5 years, only 80 percent of families live independently. There is an increase in the number of children entrusted as a result of inadequate care to another person or to institutional care, the criminality of young people is on the rise, cases of brutality, aggressiveness, and ill-treatment among young people are increasing. What is certain is that one of the world-wide preeminences which we have achieved, namely that a full 46 percent of the working people in this country are women, does not create for us very good conditions for bringing up the young generation within the family unit.

Because this unsatisfactory state of affairs cannot be changed in a short time, the Czechoslovak Socialist Party wants to do all it can so that the recreational leave for mothers who care for small children is extended, and further that one day of leave from work a month is granted to these mothers in addition to the recreational leave. In view of the proven fact that it is important that children in their early years be brought up by mothers, we consider it necessary to create organizational, economic, and legal conditions that would enable mothers to stay with their children until they reach school age without incurring a significant social loss, and further, to enable mothers of these as well as older children to develop their work activity in a manner which would be least in conflict with child care. In this connection we suggest the adoption of a legal measure that would enable mothers of small children to decide whether they would stay with children until certain age, receive a full financial support from the state and give up their claim to early retirement, or whether they would go back to work in the usual time-limit and retain their claim to early retirement. We are of the opinion that these benefits, concerning mothers of young children, should be granted also to others who demonstrably care for these children in place of the mother. The principle of the equality of sexes demands that parents freely decide following the birth of a child which one of them, after the expiration of the time allowance biologically necessary for the care of the mother and child, will devote his or her time to the care of the child and which one to his or her profession.

#### **Role of Society**

Let us now think about how our society influences our young generation. There certainly exist positive influences by society on the upbringing of young people. But

young people are not affected only by the positive influences. Besides socialist ideals, which are often presented to young people in a cliché-ridden and unconvincing manner, our youth is also being influenced by examples of corruption, protectionism, misuse of functions, and opportunism focused on immediate foreign currency earnings. No good accrues to the morality of society from any kind of injustice, be it in the area of remuneration or in any other area of social life. Neither can there be any positive influence on our young people from textbooks full of propaganda, in which they learn that everything here is the best when they can find out by themselves that that is not the case by any means. Simply, young people have always been, are, and will be a sensitive seismograph of their times. Any dissembling, hypocrisy, and particularly discrepancy between words and actions cause aversion in them. It is no wonder that adults lose their authority with young people so soon, because they undermine it themselves by their own behavior. It has held true from time immemorial and always will: as the society goes, so go its young people. If we do not improve the overall moral climate of our society, we shall not have any chance of success in bringing up our children.

We must, however, make the observation that not even the strictly youth-oriented organizations—pioneer organizations and the Union of Socialist Youth—have succeeded in effectively influencing young people. Too much formalism and imperatives from the adult world, which are quite foreign to young people, still survive in them. Neither is the educational mission of the Union of Socialist Youth helped by the fact that membership in that organization is at the same time one of the criteria which is considered during selection procedures for admission to studies at institutions of higher learning. That not only promotes “paper”, formal membership in this organization but also—already at the growing up stage—the forming of a double moral standard which we are all complaining about. We have analogous experiences of our own; our member, who works in the Union of Socialist Youth, as a rule receives better evaluation than one who successfully leads youngsters in a physical education club or in the Fire Protection Union.

Nonetheless, our party looks very positively on the fact that this year three of our young members were coopted into the federal central committee of the Union of Socialist Youth. We see it as proof that the Union of Socialist Youth is a universal organization, combining and representing a young generation of the most diverse professional interests as well as political affiliations. We are pleased that we can, through our young members, actively share and support such measures as would limit and remove undesirable social phenomena that have a negative impact on the morality of society and particularly on the bringing up of the young generation.

The problems, to which we dedicated today's plenum of our central committee, are serious enough to make it

essential to begin solving them without delay by concentrated nationwide effort. The Czechoslovak Socialist Party is resolved to share actively in this effort.

If we truly wish to contribute to an overall recovery of the moral climate of our society, then, sisters and brothers, we must begin first of all with ourselves, take pains that moral principles are consistently applied and make an effort to realize truly brotherly and sisterly relations within the party. If we wish to push through a more consistent observation of moral principles in our society, we must set an example.

We are fully aware that an improvement in morality is inseparably bound to a democratic climate. For that reason we shall:

assist in creating such a climate and bring constructive suggestions, particularly legislative ones, for limiting and removing all factors which have a negative influence on the spiritual life of our society,

contribute to the creation of a public opinion which will be unforgiving of all morally negative phenomena,

by ideological and publicizing activity provide an educational influence to help strengthen historical national conscience and the moral conscience of society.

In connection with that we intend to submit the suggestions contained in this report concerning the problems of moral education and formulation of policies for healthy families and effective education, to:

1. the central committees of the National Fronts of the CSR and the CSSR, so that they can be taken into consideration in formulating new laws on schools and formulation of state policy on families,
2. the clubs of the representatives of the Czechoslovak Socialist Party in the Federal Assembly and the Czech National Council, so that they would use them in their legislative activity and in controlling government measures in this area,
3. the Commission of the Czechoslovak Socialist Party Central Committee for Ideological and Program Principles, so that it would use them in formulating strategic program documents.

In conclusion permit me, sisters and brothers, to express my conviction that the suggestions contained in this report will be realized to the benefit of our entire society.



## HUNGARY

**FRG's Vogel Says Bloc Reforms Aid European Integration**

90EC0092A Budapest *MAGYAR NEMZET*  
in Hungarian 27 Oct 89 p 2

[Interview with Hans Joachen Vogel, SPD chairman and vice chairman of the Socialist International, during his visit in Hungary, by Gyorgy G. Markus: "Heading the List of Reformers"; date and place not given]

[Text] Hans Joachen Vogel, chairman of the SPD [Social Democratic Party of Germany] and vice chairman of the Socialist International, recently visited our country.

[*MAGYAR NEMZET*] What effect do the Hungarian and Eastern European reforms have on the process of European integration, on the policies of the Federal Republic, and on the SPD? The Social Democrats' successful Eastern policies have proven themselves. However, in view of recent developments, are you thinking of coming up with new policies toward the East?

[Vogel] Along with the growth in the number of democratizing and liberalizing countries that create new political institutions, the perspectives for a European integration and unification are also improving. All of this points toward creating a system of peace that is shared by all of Europe. For the Federal Republic, this process implies that we will extend all assistance in our power. We hope that the same process will improve perspectives for East Germany as well. We, social democrats, view all of the above with special joy and satisfaction. After all, as you so correctly mentioned in your question, our Eastern policies, and the Helsinki process, were indispensable for these developments. Therefore, we have no reason whatsoever to alter our policies. Of course, I see good reasons for enriching and further developing them.

**Without Guardians**

One indication of this is the progress that has been made in the appearance of newly operating social democratic parties, with which we are able to cooperate both within the Socialist International and on a bilateral basis. There are such initiatives even in East Germany. We do not exercise guardianship over these parties and their members, nor do we act as if they were subservient branches of the SPD; we demonstrate our solidarity with them.

[*MAGYAR NEMZET*] At its December congress in Bremen, the SPD will ratify a new program. How do the 1959 Godesberg program and the 1989 program of Bremen relate to each other?

[Vogel] As far as substantive points go, we have retained our commitment to the Godesberg program. However, several problems have arisen in the meantime, which we did not foresee in 1959. Among these are the issue of environmental protection, the creation of genuine equality between men and women, and the direction of technological processes in accordance with social and

environmental considerations. In addition, we have to face the fact that several of today's problems can only be treated as those concerning humankind, and not relegated to the sovereign nation states.

Just as the entire program is correct, so are its portions concerning Eastern Europe, our Eastern policies, and the relationship between the two Germanies. There are only a few more thoughts that have to be further developed in the course of the debates that precede our congress. As for content, however, we have nothing to correct. We have announced our commitment to the principle of self-determination and the idea that we remain one nation, we reject any question concerning East Germany's statehood, and we hold peace paramount to national reunification.

**Dilemma of Increasing Wages**

[*MAGYAR NEMZET*] During recent months Oskar Lafontaine, the SPD's deputy president, has become involved in heated debates with the trade unions. What is behind these debates?

[Vogel] The debates hinge on this issue: Should we combine the decrease of working hours with linear wage increases that would involve the high-paid workers as well as those with medium or low wages? Lafontaine felt that highly paid workers should be given little or no wage increases as the working hours are shortened. For a while, this was the cause of heated debates in our ranks, but, after a while, the disagreement subsided. In the aftermath of these debates, however, more and more people came to feel that the concept of work should not be limited to wage-oriented activities, but should also include useful social activity within the family, the communities, and the neighborhoods.

[*MAGYAR NEMZET*] How do you explain the fact that electoral losses by the Union [CDU/CSU—Christian Democratic Union/Christian Social Union] parties were not accompanied by sufficient Social Democratic gains in the June European elections and the recent races in North-Rhine-Westphalia?

[Vogel] The fact that Social Democrats have not always been able to benefit from Union losses can be explained by the appearance of the so-called Republikaner. In each case when the "Republikaner" did not wage a campaign, the SPD gained almost as many votes as were lost by the Union. In provincial districts this gain has amounted to as much as 7 or 8 percent. We must pay attention to this by analyzing and disclosing what these people were protesting with their votes. In general, they cannot be referred to as Neo-Nazis, or only a small portion of them can. Therefore, we must find out the basis of their protest; we must talk with these people and pay attention to them.

As for the narrow leadership group of the "Republikaner," including Schoenhuber and his clique, we have nothing to discuss with them. They clearly rely on Neo-Nazi, ethnocentric, and chauvinistic demagoguery,

and we must reject this decisively and with all our power. Aside from this, whenever the Union and the SPD face each other, the old formula remains in effect: Their losses are our gains.

#### Improved Economic Situation

[MAGYAR NEMZET] Social Democratic parties surfacing in Hungary and in other European countries find themselves faced simultaneously with the following strategic problems: They must define themselves and create their identities in post-communist societies, while undertaking debates in conditions of insufficiently developed political culture. What is your opinion of this dilemma?

[Vogel] We are happy to see some of these parties reborn, while others simply resume their operations. We also realize that they must digest a great many issues. Of course, this is only natural after such a long enforced period of inactivity. In the background of this "hiatus" we find the social order which now, in the traces of reforms, is disappearing. I could not say what the outcome of all this will be. The only thing I would recommend to the members of these parties is that they strive for unity in the course of their debates. Electors generally resent it if parties competing for their ballots exhibit long, unceasing, and personal disagreements within their ranks. We are ready to participate in these exchanges of ideas. We feel that programs of the Swedish and Austrian parties, as well as our own, may be helpful to our Hungarian and Polish friends.

[MAGYAR NEMZET] What impressions of Hungary are you taking with you?

[Vogel] My experience has convinced me that the reform process has made grater gains in Hungary than elsewhere. It appears that in this country the political institutions are being transformed, and there are guarantees for democratization and the freedom of elections. Here, the Communist Party voluntarily withdrew its claims for power and made itself subject to the will of the voters. These are developments that place Hungary at the forefront of reforming countries. I was impressed by my experiences here. In the economic sphere, Hungarians must accomplish a few more things, and in this regard they can count on the assistance of the Federal Republic. At the same time, even in view of all the problems, Hungary is in a better situation than other countries in which the reform process is getting underway. I look forward to future developments in Hungary with full confidence.

#### Social Democratic Official on Party's Economic Program

25000505A Budapest NEPSZAVA in Hungarian  
19 Oct 89 p 12

[Interview with Dr Alpar Toth, member of the Social Democratic Party national leadership and coordinator of the party's economic program, by Pal Molnar: "The

MSZDP Economic Program: To Tread the Historical Path;" date and place not given; first paragraph is NEPSZAVA introduction]

[Text] The Social Democratic Party of Hungary [MSZDP] intends to offset economic liberalization with the strong protection of interests. Dr Alpar Toth, a member of the national party leadership and coordinator of the economic program, gives equal emphasis to both concepts, and regards these two policies as equal. An engineer and an economist, Toth described this concept, and other details of the MSZDP economic policy platform, to our reporter.

[NEPSZAVA] As you pointed out in one of your presentations, you feel that the state should involve itself in the economy only through a primary policy regarding interest rates, and through taxation. Accordingly, should the state not be involved in the formulation of the infrastructure, in the supply of energy, and not even in railroad transportation?

[Toth] Some strategic conditions are important from the standpoint of national security and the daily functioning of the state. These include, for example energy, the railroad, public works, within telecommunications the backbone provided by the postal service, and I, personally, would include here the provision of basic pharmaceuticals. Accordingly, these are the industrial and service branches whose absence would create some fundamental concerns in everyday life. These would have to remain under state direction of course. But the emergence of privatization, of private initiative in these fields, should not be ruled out; instead a single condition should be established. The possible lack of such industrial and service provisions should not endanger the basic functioning of the state. Small railroad lines, and small privately owned power plants could exist in certain areas, central stations could be opened, but the "pillar" would remain in the hands of the state. Accordingly, the key word here is "fundamental." Fundamental conditions for the functioning of the country should be provided by the state.

[NEPSZAVA] Social democracy would like to inhibit the state with regard to certain economic maneuvers. They would prescribe, for example, that the state could appear on the exchange only in the capacity of a seller. Why should the state be restrained even with regard to functions based on market principles? After all, in the West the state may also appear also as a buyer on the exchange!

[Toth] We have not yet reached a level of economic development at which we can afford such things. What you just mentioned has taken place in France for instance. The Socialist Party attempted to transfer certain enterprises into social—not state—ownership. But in order to do so it is important for the economy to have reached a level—primarily in the area of national

income, the reduction of indebtedness, and in terms of various balances—at which such matters may be considered as actions to be taken.

[NEPSZAVA] This, however, may be a task only in the future....

[Toth] Only in the future, when the Hungarian economy has stabilized itself, and here I am not referring to the standard of living, but instead to the fact that the national economy would not be threatened by insolvency and bankruptcy. As of now, we must first build a viable, impulsive, mixed economy. And above all, we must relieve the budget of all kinds of enterprise subsidies.

[NEPSZAVA] To be accomplished by way of full liberalization?

[Toth] In contrast to the liberals, i.e. the Alliance of Free Democrats [SZDSZ], social democrats do not want to transfer every enterprise into private hands. They would like to "get rid" primarily of those enterprises which momentarily decrease the budget.

[NEPSZAVA] Who would buy enterprises which do not function well?

[Toth] This is where the role of the exchange comes to the forefront. According to the social democratic perception, we should transfer an enterprise into private hands if someone buys an enterprise at market value, and if the buyer provides jobs for those who work there. The money received should not disappear in the bottomless budget, however. Part of the money should go into a segregated fund instead, and should be used for the purpose of creating workplaces. Or for retraining purposes, perhaps to provide existential help to people who lose their jobs as a result of privatization.

[NEPSZAVA] Should we not be concerned that they would sell the bankrupt firms at too low prices?

[Toth] According to our calculations it takes about half a million forints to establish a workplace these days. This includes the cost of retraining and assistance provided during the period of unemployment. We believe that, regardless of the low price at which an enterprise could be sold, it would be possible to obtain such amounts from the money received.

[NEPSZAVA] The MSZDP advocates that the state remove itself from large investments, and that it stimulate such investments only by way of tax benefits. Surely. But will we find in the Hungarian private sphere brains capable of managing large investments, at a time when persons engaged in the private sphere have gained practical experience only in small enterprises?

[Toth] Privatization is a lengthy process. It requires original capital accumulation. Capital accumulation, capital concentration, must once again be started anew, beginning from the level where we were at approximately in 1919. This is where we find a significant difference between the views held by social-liberals and the

MSZDP. They claim that from today's state socialist system there exists a direct path to democratic socialism. On the other hand, a large part of our party membership claim that we must tread the historical path, because world history has not shown a different developmental path. It is unlikely that Hungary would be the one to find this direct path.

[NEPSZAVA] Accordingly, large investments should not be transferred immediately to private hands!

[Toth] There is no need for that anyway. There are a large number of firms throughout the world, specialized for this purpose. As main contractors they provide specifications for projects, and develop solutions that are most favorable from the standpoint of the buyer. This is not part of the social democratic genius; the government has already used this method in recent years. This could resolve the problem of incurring expenses instantly; the budget could be relieved by yielding the new service establishments to a third party for a certain period of time. This government has successfully used this method in the hotel industry, for example. By using this method the responsibility for the investment would also be transferred.

[NEPSZAVA] In what respect would the social democratic method be novel?

[Toth] We would continue the process that has already begun, but in a more determined fashion. In addition, we would stipulate that a certain percentage of investments be accomplished by Hungarian firms. And in a manner so that by way of competing, Hungarian private capital could also participate in such investments. All this would accelerate the process of privatization, would relieve the budget, and would establish a situation in which private persons invest their money not in gold or real estate, but in stock, meaning the economy! Spain has successfully pursued this path already.

[NEPSZAVA] Don't you think that coming from social democrats, this is a highly liberal program?

[Toth] We are aware of that. Our starting point was that we would be able to appropriately guarantee the huge Hungarian debt service only by achieving continuous economic growth. Present policies are restrictive, the state is closing down certain enterprises which constitute loss operations. But the state is unable to produce added resources needed to fill the void that was thus created. In and of itself the privatization process does not resolve these problems, it only relieves those problems to a certain extent.

[NEPSZAVA] Do you see a role for workers' interest protection?

[Toth] As in the past, social democracy will have only a single stable ally in the future: the trade union movement. We perceive our mechanism for political involvement to be closely related to trade unions. We would receive information on human concerns directly from

trade unions. In a ruling position we would measure the effects of our state actions through trade unions. Without the trade unions we would remain only a small left-wing party. We envision mutuality in the future, not the way it was in the past, when there were social democratic trade unions directed by the party. We have independent trade unions in mind. But in close cooperation with us.

[NEPSZAVA] Are you envisioning an unchanged trade union "setup?"

[Toth] The trade union movement must change fundamentally. Action and decisionmaking must take place at the level of plants and enterprises. The evolving trade union structures could be integrated on the basis of trades on the one hand, and of proprietary forms on the other. Accordingly, the same trade unions could belong to several conglomerates, but the fundamental trade union decisions would be reached within the enterprises.

[NEPSZAVA] Your party also aims for the development of a kind of "workers aristocracy;" it intends to assign trade union leadership to persons who have worked in several Western countries and speak those languages. Would this not be an exaggeration in today's world?

[Toth] The era of the 19th Century's itinerant journeymen cannot be brought back, of course. And this is not what we have in mind. We regard our integration with Europe as important. This presumes an open economy. As a result of international capital investment, international technology would flow to Hungary, and thus the worker would not have to leave the country. That is, modern knowledge could be acquired locally.

[NEPSZAVA] And together with the new technologies, could the representatives of the workers aristocracy also learn about methods of interest protection?

[Toth] I view the essence this way, though this will sound odd: The value of specialized knowledge has declined by now, because the past 4 decades have brought workers down to the proletarian level. Accordingly, a workers aristocracy—in the appropriate sense of that term—which restores the worth and honor of specialized knowledge, must evolve. None of the political platforms has any option other than to foster this approach. It is our intention to persuade professionally outstanding persons to direct local trade unions. Their professional standing may also restore the internal ethics of trade unions. This means that they may make their fellow members understand that one must not only establish demands, but that the quality of work is at least that important. Because old social democrats and trade union workers were proud not only of their self-consciousness as workers, but also of their work.

### Problems with Soviet Border Crossing Described 25000505B Budapest NEPSZABADSAG in Hungarian 21 Oct 89 p 9

[Article by Janos T. Rac: "Zahony, the City of Fear"]

[Excerpts] A swarming beehive is a purified, staid medium compared to today's Zahony. At present, this settlement is a "frontier town." As one of the "natives" said: They stabbed a teacher in this town, where not even a good fight had taken place before. Istvan Nemeth, the young man of 26 years, died the following afternoon at Kisvarda hospital. He bled to death. [passage omitted]

### It Was a 'Golden Gate'

Last March Zahony became a city in the ranking of local government status. Dedication ceremonies practically coincided with the opening of the gate for small border traffic in this settlement nicknamed earlier the "Golden Gate."

"This was a nice small town when Zahony's status was that of a large village. Aside from promises and encouragements, we are now on our own," according to Ferenc Horvath, council executive committee secretary. "Not once since last spring have I been able to smile joyfully. This is true even though Representative Janos Berecz has been here since the beginning of the invasion and has questioned in Parliament the minister having jurisdiction, and people from the Interior Ministry and county council leaders have come to inquire about our needs."

They need air, one could summarize the Zahony public's call for help. This border town serves as a "passport" crossing point, as the main route for Polish travelers and also as a small border traffic town traversed by 68,000 people on what the people of Zahony regard as better days. Even more people come to the town on bad days. More than 90 percent of these are Soviet citizens, and most do not even go beyond Zahony. The daytime population of the city of 5,000 increases to between 20,000 and 25,000. The number is this low only because a large majority of the travelers are "caught" by the large parking lot of the Polish market. On the other hand, part of the daytime population remains in Zahony overnight. Why should they go home for the short period of time before the money exchange opens the next morning? ... ! Particularly when it is advisable to stand in line at that office beginning at 4:00 am, because the windows close at noon.

The presidential council signed the decree concerning small border traffic almost 4 years ago. At that time they believed that once the border was opened, some 400,000 persons would cross annually. This was a grave mistake. The calculation was based on the idea that the 200,000 Hungarian residents of the Lower Carpathian region would visit friends and relatives across the border, twice a year, at most. In reality, almost 7 million border crossings have been recorded since last March. The other four small border crossing points close at 4:00 pm, therefore the great flood of people pours into Zahony.

The visitors occupy even the heated stairways of buildings—"heated," because the uninvited guests set fires in the stairways to keep warm. [passage omitted]

School children gather signatures in the newly dedicated city to discontinue this practice, to redirect traffic to other places, or at least to make small border crossing subject to more stringent rules. They continue their signature drive until it becomes dark. [passage omitted] These days it is not safe in Zahony even during the day. Their school has been broken into four times, [passage omitted]. A letter writing campaign by students and teachers addressed to the prime minister, the television, this newspaper, and others is in progress. [passage omitted]

Railroad Plant Director Istvan Sipos had this to say: [passage omitted]

I always believed that small border crossing would be beneficial, because that would open dams that were closed for more than 4 decades. I was first shaken in this belief when I took off for Budapest and my wife told me to bring some cold cuts. In earlier days Zahony was known for its supplies in faraway regions. The two ABC stores of this settlement of 5,000 provided adequate supplies to 7,000 people, including commuting railroad workers who did their shopping after work hours. But today, the two ABC stores are choked by shoppers [passage omitted], instead of a 10-minute daily shopping for milk and bread one has to stand in line for 2 hours before grabbing a shopping basket. [passage omitted] The second time my faith was shaken occurred when I heard that there are daily scandals at the money exchange offices because there are not enough offices. We really do not need rubles, what should we do with them? And then we were told that the rather large ruble surplus has accumulated as a result of small border crossings will be used to construct the Budapest subway. There you have local autonomy, Hungarian countryside, local management, and suffering in Zahony....

A conversation with policemen revealed why we receive an unexpected flood of rubles. We found the commander of the police force and his associate in front of the National Savings Bank office. Their presence is not only needed in order to close the bank at noon, it is indispensable. They are begging for a change in the status of the force to an independent police headquarters. In earlier days the number of policemen on the force was more than adequate. But as a result of increased duties since the border was opened, such as directing traffic and the prosecution of crimes, the force is not large enough to perform patrol duties.

#### **Eldorado of Bums**

"We believe that on the other side they did not observe even those restrictions which they themselves imposed, namely that a person may cross the border only once a month," according to the police commander. We have little proof but a lot of information concerning the fact that travel documents are being sold on the other side.

There were some people we grabbed and put on the train, but the next day they were here again, laughing at us. This city did not become the meeting place for Hungarians and relatives. It became the eldorado of lumpen elements instead."

Out there, the Polish people sell rubles for 8 forints. Thereafter those who arrive here need only to falsify a customs statement. They may officially exchange in Hungary as much Soviet foreign exchange into forints as they want. Since March, the Hungarian organs here have not received even a sample of a dozen various kinds of Soviet rubber stamps. After exchanging their rubles into forints, these clever people once again purchase cheap rubles and take those back to the Soviet Union, then start the process all over again. Accordingly, this matter is far from being a local problem for Zahony only!

A teacher from Zahony was correct when he said that this is "the country's Far East." In and of itself the fact that we do not establish stringent rules with regard to small border traffic is commendable. Moreover, the Hungarian side is intent on making further progress in this regard. Nevertheless, aware of the momentary situation, I am sad to state that judging by the present situation, we do have a process that corresponds with European standards, but one that has transformed Zahony into the most Western city of the Balkan region. [passage omitted]

#### **Teleki 1941 Suicide Cited As 'Self Sacrifice For Justice'**

90EC0069A Budapest MAGYAR HIRLAP  
in Hungarian 23 Oct 89 p 4

[Article by Andras Lukacsy: "The Secrecy Shrouded Death of Pal Teleki"]

[Text] In the current "turbulent affair" surrounding Petofi's bones, we can appraise the fantastic force the making of a historic legend can have. A death without eyewitnesses—and immediately the flow of speculations, conjectures, and information begins.

Prime Minister Pal Teleki committed suicide in the early morning hours between 2 and 3 April 1941 in his Castle residence, because his conscience could not bear the regent's breach of promise in saying yes to the Germans and in joining their military campaign against Yugoslavia. Against the same Yugoslavia with which he had signed a treaty of eternal amity just a few weeks before. Although the police, medical, and political-historical investigations found ample evidence of suicide (as if the farewell letters written to the regent and the family were not sufficient), gossip started on the day following the tragic event, saying that what happened was not suicide but was an assassination, committed by the Germans because he had thwarted their interests; however, according to the gossip, they did not simply have him assassinated. Instead, a high-ranking officer personally penetrated his residence (through the secret tunnel under the Sandor Palace); and then, the assassin was not only a

company grade officer but was General Keitel, no, Goering himself—the thread of speculation extends even to the present.

The legend's climax was the assumption that his death occurred not at the Sandor Palace (as if it were not there where the evidence of blood and brains were found) but at the Teleki's family residence on Palatine Jozsef Square, and that his corpse was subsequently smuggled into the Castle.

The Teleki legend is no exception to what is true of any legend, namely, that it is perpetuated from generation to generation. Most recently, a few years ago, it was the historical handwriting expert, Klara Rakosne Acs, who worked on this legend. She determined from the handwriting of the farewell letters that this man could not have committed suicide. And even a historian commented approvingly on her opinion.

But the reason why Lorant Tilkovszky, another historian and Teleki's earlier monographer, wrote his short summary with the above title on the politician's death was not to present new arguments for the suicide theory. (Although he has done that, too, for his volume appeared in the Helikon Publisher's Labyrinth series which deals with historic enigmas; strangely enough, a "kin" had already emerged in this series, that is, the story of events in Laszlo Teleki's death.) No. While Tilkovszky fulfilled the expectations of the series by writing a book that was not only scientific but also interesting, in reality he had already been troubled by something. And it is not an accident that it happened just now.

In the process of our present political changes, our value of relations with the West is appreciating, and apparently the past is also included in this. Yet Pal Teleki, while considering the redressing of Hungary's territorial grievances his political objective (whether or not he attempted to do this through correct methods is beside the point at present), saw great danger in that the regent's policy could imagine a solution to the problem only through alliance with Germany, or rather with fascism. Teleki was not the only one who foresaw Hitler's fall but was one of those who consistently estimated that losing the war would entail catastrophic results for both Hungary's and the ruling class' future, with an equal degree of devastation for both. For this reason—after Bethlen and before Kallay—he was the most decisive exponent of West European relations, and his endeavor was corroborated not only by everyday political logic but—and today this is evident even to a child—also by the foreseeable events.

He, who seemed to be Horthy's unequivocal follower during his first term as prime minister in the early 1920s, now on the eve of the war was in conflict with his regent, indeed with the majority of his own cabinet. Not only was he unable to gain their acceptance for the "Italian connection," intended to offset German supremacy, but his carefully nursed Western—mainly Anglo-Saxon—connections were also consistently destroyed by

the supreme commander's shortsightedness, by the fact that the latter failed to see the high price that would be paid for the spurious territorial increase.

It was this conflict that climaxed that fateful night; Teleki realized that he had lost against the square-headed friends of the Germans and thus his political achievements (and not incidentally, social order and the nation) were doomed. He did not even have the hope of what the more rational Western press has repeatedly referred to, namely, that "the outstanding and honest statesman sacrificed his life to call the attention of the civilized world to the intolerable situation in Hungary and South Eastern Europe caused by Hitler's megalomania." In the opinion of this author, he was not even led by the intention of—to quote another American press release—"his patriotic acceptance of sacrifice inspiring the Magyars to defend Hungary's independence at all cost." No. With the pistol in his hand, he was simply a knightly Magyar nobleman, an exemplary Scout leader guided by morality, who protected his honor because he saw no way out for himself and his country. At most, it was with this gesture that he wanted to set an example, as 15 years later another ill-fated prime minister and successor Imre Nagy did.

There was only a single far-sighted politician who understood the value of this gesture, Winston Churchill, who in his famous radio speech said, "A place must be reserved at the conference table for Pal Teleki. That empty chair should remind those present that Hungary had a prime minister who sacrificed himself for justice, for which we are also fighting."

Now we can speculate whether this symbolic chair was not present at the round table of the peace conferences because of the stupidity of the subsequent leaders of our country or history's forgetfulness.

### **MSZP Property and Financial Control Being Established**

*25000512B Budapest NEPSZABADSAG in Hungarian  
25 Oct 89 p 5*

[Interview with Ambrus Szantai Sarkozi, MSZP Central Financial Control Committee chairman, by "F. Gy. A.": "Proclamation to the MSZP Membership: Party Property Will Not Fall Prey to Anyone"; date and place not given]

[Text] The title of this article was phrased at yesterday's session of the Hungarian Socialist Party [MSZP] Central Financial Control Committee. A seven-member social committee reviewed the tasks for the upcoming period. We asked committee chairman Ambrus Szantai Sarkozi about their plans and findings.

[NEPSZABADSAG] Your proclamation suggests that there are serious problems with party property. Is my hunch correct?

[Sarkozi] Actually the new party is just being formed. The earlier city and county party committees have ceased to exist. All this has resulted in a rather chaotic situation. This also had an impact on the evolving party's financial situation. Indeed, the danger exists that unless we watch carefully, the party's property will become public prey. After all, responsibility is not fixed at the moment in many places in terms of a single person who could be held accountable for potential financial irregularities.

[NEPSZABADSAG] Are you doing something entirely new, or are you continuing the workings of your predecessor organization where they left off?

[Sarkozi] Up to now, members of the committee have had nothing to do with the party's financial affairs. We are clean, so to speak. Already at our first meeting we established the fact that although it is very important to us to secure financial conditions needed for the party's functioning, we are not willing to participate in any illegal or suspect solution, or to let such solutions pass by. For this reason the request contained in our proclamation is addressed not only to party members.

Before anything else, however, we would like to see the property issue clearly. We recommended to the presidium that they begin to assess the party's real estate and movable property without delay. This assessment may also serve as the basis for negotiating the distribution of party property. We also made a recommendation to the effect that the national presidium appoint a single person in each county to be responsible for the safeguarding of existing values. In the days to come we will continue to gather information concerning the financial management of both area party organizations and party enterprises. We need to have a clear picture. It would be difficult to exercise control over anything before the assessment of property is complete.

[NEPSZABADSAG] And thereafter?

[Sarkozi] I have already addressed the issue of minimum property needed for the functioning of the party. Undoubtedly, the determination of what constitutes that necessary minimum property is within the presidium's jurisdiction, but we intend to comment on their perceptions. We also would like to establish a separate fund. We support one of the recommendations advanced by the entrepreneurs' section, according to which any amount contributed voluntarily over and above the 150 forints membership dues should be paid into that fund. The amount thus accumulated would be a kind of entrepreneurial fund, and would represent a clear, working financial base for the Hungarian Socialist Party.

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The Central Financial Control Committee of the Hungarian Socialist Party has begun the full assessment of party property and the examination of the party's financial management. The committee appeals to the party membership to inform the committee (19 Szechenyi Rakpart, 1358 Budapest V) if they become aware of financial irregularities, negligent management of party property, or damage inflicted upon party property.

### County Party Newspaper Declares Independence

25000512A Budapest NEPSZABADSAG in Hungarian  
23 Oct 89 p 10

[Article by NEPSZABADSAG Zala County reporter: "Following Metamorphoses: ZALAI HIRLAP on the Way to Independence"]

[Text] "Our editorial office and our enterprise have chosen the path of full political and financial independence." This is being conveyed by the reporters of ZALAI HIRLAP, and the workers of the Zala County Newspaper and Book Publishing Enterprise, in Saturday's issue of the newspaper. The newspaper and the enterprise explain their decision by saying that at its congress the Hungarian Socialist Party [MSZP] has not dealt with the status of county newspapers, while from a financial standpoint the newspaper and the publishing enterprise have been profitable for years without any state or party support. The editorial collective declares that it does not wish to commit itself to any party. Every journalist should follow his conscience in presenting political views and in selecting party affiliation.

In recent months the newspaper has undergone a number of metamorphoses. On 29 July the newspaper still belonged to the Hungarian Socialist Workers Party [MSZMP] Zala County Committee. It subsequently became the Zala County party board's newspaper. For 3 days following the establishment of the MSZP, the paper was published as the Hungarian Socialist Party's newspaper, thereafter it became a social and political daily. The present declaration of independence was preceded by a declaration issued by the Zalaegerszeg Opposition Roundtable. In the declaration, local organizations of the Hungarian Democratic Forum [MDF], the Association of Young Democrats [FIDESZ], the Alliance of Free Democrats [SZDSZ], and the Social Democratic Party of Hungary [MSZDP] declared the MSZMP newspaper to be the chief factor that slowed transformation, and stated that the management of the newspaper was not competent to negotiate. The opposition organizations also demanded the transfer of ZALAI HIRLAP under county council management, and that an independent editorial board direct the newspaper following the editor in chief's resignation. Opposition representatives also announced that on 3 November they would hold a demonstration on the square in front of ZALAI HIRLAP's editorial offices.



### Prosecutors Examine Legality of Party Property Registration

25000512C Budapest NEPSZABADSAG in Hungarian  
28 Oct 89 p 5

[MTI report: "Was Cimbriana, Kft.'s Property Recording Illegal?"]

[Text] The Office of the Supreme State Prosecutor has reviewed the legality of property recording determinations made by the city land offices of Veszprem and Balatonfured regarding actions in which these offices determined the ownership of five pieces of real estate owned by the state, but managed by the party in favor of Cimbriana, Kft., a single person limited liability corporation established by the Central Committee [CC] of the Hungarian Socialist Workers Party [MSZMP]. The combined value of these properties exceeds 66.4 million forints. The prosecutor's review has established the fact that on 28 June 1989, the day when the land offices allegedly issued their determinations, such determinations could not have been issued because on that day Cimbriana's corporate registration was not yet recorded by the Court of Registry. Subsequent to corporate registration—26 [as published] July 1989—there would not have been a legitimate opportunity to record the limited liability corporation's real estate because of the amendment to the land law that went into effect on 1 July. For this reason, the Office of the State Supreme Prosecutor instructed the Office of the Veszprem County Supreme Prosecutor to file a legal challenge to the determinations issued by these land offices.

## POLAND

### Ministers Interviewed on Policy Role, Goals

#### Hall: Political Party Development

90EP0112A Warsaw ZYCIE WARSZAWY in Polish  
27 Sep 89 p 3

[Interview with Aleksander Hall, Minister Without Portfolio for Regional Self-Government and Political Parties, by Janina Paradowska: "A Bridge"; date and place not given]

[Text] [ZYCIE WARSZAWY] Several months ago you declined to be a candidate for the parliament on behalf of the [Solidarity] Citizens' Committee and publicized your decision by means of an open letter in which you declared that the spectrum of opposition groupings represented by the Citizens' Committee is too narrow and does not correspond to the actual alignment of forces. Now you have agreed to take part in the government. What prompted you to pose for a joint photograph with Tadeusz Mazowiecki after having earlier declined to be photographed with Lech Walesa?

[Hall] Certainly not out of any dislike toward Lech Walesa, whose role in the nation's life I fully appreciate. It is simply that my concept—and not only mine—of

forming the bloc of the then opposition was different from that ultimately adopted. I believed that what matters in public life is not only declared attachments to certain values but also the attitude and the way of translating them into reality. Thus, I believed that by declining to be nominated I was signaling my refusal to accept that other concept and demonstrating that I am concerned about the new shape of political life in Poland. This did not mean a parting of the ways between me and Lech Walesa or disavowing the then accepted solution.

[ZYCIE WARSZAWY] When the problem of forming a government under the leadership of Solidarity first arose, did you have doubts?

[Hall] I did. I feared that it might be premature and that the foundation of this new political alignment might not be sufficiently strong. Ultimately, however, I recognized that since precisely this situation had arisen, a situation in whose formation I took no part besides, and since the government to arise is to be headed by a person whom I value highly as a human being and a politician, I cannot decline the offer made to me.

[ZYCIE WARSZAWY] Participation in opening a genuinely new chapter was tempting, was it not?

[Hall] [My principal reason was] the belief that everything must be done to exploit this opportunity.

[ZYCIE WARSZAWY] But how can a minister without portfolio who attends to contacts with political parties and associations contribute to exploiting that opportunity? By building something like the Party-Association Bloc of Cooperation with the Government?

[Hall] It is a common cause to us all that the government of Premier Mazowiecki obtain the broadest possible support. At present these obviously are the initial premises because the concept of the operating mode of the agency I head, which is an innovation in the structure of the Council of Ministers, is still only being formed, but three domains in which I am to work are becoming clear. The first is the maintenance of contacts with political parties, both those already existing and new ones emerging from the opposition, as well as with political associations and social movements such as the movement of Citizens' Committees. I emphasize: maintenance of contacts and not oversight or supervision and, on the other hand, playing the role of a human Book of Complaints and Grievances also is precluded. I want my government to promote, above all, a free two-way flow of information, unimpeded communication, etc.

The point is that the parties, social movements, and associations be made to feel that the government is familiar with their intentions and programs and that they exercise influence on various specific decisions. I would like therefore to build a bridge among various political orientations, each having its own identity and its own place in this country's life. Another objective is to develop and take a position, a stance, and even to



initiate further measures to promote political reforms. Legislation is being drafted by the Sejm, the Senate, and the political parties, but this does not mean that the government is standing by passively and waiting. Such problems as the place of parties and groupings in our political system, electoral laws, and the new Constitution are within the purview of the government's interests. We shall take a position and show initiative on these matters.

The third group of problems is contacts with emigre Poles and the Polonia. In this respect my competences are not yet clearly defined, because issues that are not of direct interest to the Ministry of Foreign Affairs have yet to be identified.

[ZYCIE WARSZAWY] Your televised appeal on the eve of the 50th anniversary of the occupation of the eastern territories of the Polish Republic [by the USSR] was directed in particular to the most radical youth. Does this mean that your competences include affairs of youth organizations?

[Hall] I shall maintain contacts with formal and informal youth organizations. I myself am an outgrowth of youth's protest against the reality. My political grouping, the Movement for Young Poland, was active among university and secondary-school students, and thus I am familiar and have empathy with the thinking of young people, and I believe that, although I myself turned from a leader of an opposition grouping into a minister of state, I can find a common language with these people. After all, my views have not changed and I have not forgotten my working experience in the opposition. In this connection, I believe that, while in those times, in the 1970's, it may have been easier to get housing and a better job, political activity had been much more difficult and dangerous. Nowadays, under Mazowiecki's government, posing the most radical demands no longer takes any courage. Young people should be treated seriously, but without being flattered. This also means saying plainly that barren protest, radicalism for radicalism's sake, is all too easy and foolish. I can state this quite deliberately, because I remember the radicals of the years 1980-81 who, when the time of the ordeal arrived, scampered off somewhere.

[ZYCIE WARSZAWY] To come back to your current occupation I see that the draft decree on political parties is lying on your desk. It has already become controversial. Some say that it is needed and others that corresponding provisions in the Constitution will suffice.

[Hall] It is only now that I received a copy of this draft, prepared by the PZPR, and am now gathering the first opinions. As to whether it is to be a decree or a constitutional provision, that issue is open. In a majority of the democratic countries there is no such decree. Besides, the form matters less than the orientation of thinking, and that orientation can be only one: the formation of new political parties, the entire natural process of the filling in of the Polish political scene by

diverse political orientations, should not be restricted, and all participants in political life should have equal rights. It is in the interest of Poland, in the interest of democratic changes and the transformation of the monopoly state into a national state, to promote a process in which the incontrovertibly existing unofficial part of Poland will become the official Poland. But there are problems that need settling, such as, e.g., the funding of political parties and their presence in the workplace.

[ZYCIE WARSZAWY] Premier Mazowiecki and you already had your first meeting with representatives of the groupings which are at present termed the parliamentary opposition. Subsequent to that meeting, I heard the opinions of Leszek Moczulski of the KPN [Confederation for an Independent Poland], Jan Jozef Lipski of the PPS [Polish Socialist Party], and Ryszard Bender of the Labor Party. They all declared their support of the government, but not unconditionally. It was even my impression that their support is more verbal than actual. The differences on such issue have emerged, but where are the similarities?

[Hall] The common goal is that of building a democratic state. The views on the pace of the changes differ. It is in the interest of the parties with extremely small representation in the Sejm and the Senate under the umbrella-plaque of Solidarity to accelerate democratic processes, to conduct rapidly fully free elections. After all, aside from the PPS headed by Jan Jozef Lipski, these groupings distanced themselves from the roundtable accords. It is normal for us to differ; we must get accustomed to this, and we should not wonder because the various groupings want to be suitably represented in the parliament and government and to have greater influence on the political scene.

[ZYCIE WARSZAWY] As to who will influence the political scene and what will be the final shape of ideological orientations, these topics are being increasingly considered by theoreticians. In an interview granted to ZYCIE WARSZAWY Professor Jerzy Holzer distinguished among three orientations with a future: the Social-Democratic, the liberal-conservative, and the Christian-Democratic. What about you as both a theoretician and a practitioner? What is your opinion?

[Hall] We are in a transition period and the political scene is constantly changing. In the future it will change still more. At present the Solidarity movement, being internally differentiated, shies from turning into a regular political party, because then it would have to split up. Of a certainty, in the foreseeable future it will be a highly important factor on that scene as a civic and social movement and assuredly also as a trade union. But this does not mean that other political parties will not arise. What parties? That is a horse of another color. The present political map of Poland is motley and checkered, and this situation will surely persist for some time yet. It is thus difficult to make predictions. Life itself will influence the isolation of various orientations and the convergence of like-minded ones. This will not be an

easy process. In Polish conditions the issue of [political] origin has always been unusually important. This still is an impassable barrier to persons who are of the same mind about the economy or even about a vision of the political system but who belong to different sides—some to the opposition and others to the traditional authorities.

In this place it is worth recalling how the dispute about the past, about orientation during World War I, had burdened political life during the Second Polish Republic. And yet, the differences dividing after World War II the opposition-minded segment of the society from the communists ruling Poland have been incomparably greater. Until 1956 the camp of the authorities, the Communist party and its allies, dug a veritable abyss between itself and that part of the society which preserved its fidelity to the ideals of a sovereign and democratic Polish Republic. Besides, after 1956, too, the balance sheet has been largely negative.

Returning to your question, of course I have some idea of the future map of political groupings. In my present post, however, I can hardly formulate predictions of the political future of my partners in negotiations. Undoubtedly, though, the process of the formation and consolidation of creative forces, the realignment of political parties, takes time and cannot be artificially speeded up. It does not have to reflect the political divisions of the Second Republic, and neither can it be a mechanical imitation of Western models. Still, some time is needed for the maturation of this process in new conditions.

[ZYCIE WARSZAWY] Where would you locate your own grouping, the National Democrats, in that panorama of the future? It is being said that you are going to restore the National Democratic Party. Is that a compliment?

[Hall] I consider such opinions to be a compliment. At one time or another the National Democrats were depicted as a symbol of evil, doltishness, xenophobia, and nationalism. Such views became widespread among the authorities and within many circles of the opposition. It has also been a misfortune for the "Endek" [National Democratic] tradition that some people have always been attached in thought and action to the doctrinaire schemas, deriving from the times when the ideas of the National Democrats had evolved in a bad direction owing to the influence of many European events. To me, both approaches are unacceptable. I am convinced that total imitation of models from the past is a barren exercise, but I also contest the claim that no lessons whatsoever can be learned from the National Democratic thought.

Pages in the annals of history cannot be ripped out and declared nonexistent. A continuity of political thought does exist, and my role has consisted in reassessing that tradition, screening what is valuable about it from what is erroneous. For the National Democratic thought contains elements that are valuable and lasting. To be sure,

in themselves, these elements do not answer the questions posed by the present-day world, but when combined with the accomplishments of Christian-social thought and modern conservative ideas, they provide a point of departure for creating a synthesis. Thus, I believe that the Polish political scene needs a modern and nonsectarian political party of precisely this orientation, a party that would be open to collaboration with other, even ideologically distant currents, e.g., those growing out of the socialist tradition. I emphasize, a party open to dialogue and cooperation on crucial national issues with parties holding other views. But in my present post I cannot afford to espouse partisan views. For otherwise I would do a disservice to the premier, the government, and my own political orientation.

[ZYCIE WARSZAWY] That is the price paid by the leader of a political grouping when he joins the ruling administration, is it not?

[Hall] Let me answer your question with another: what price is that in comparison with the possibility of utilizing our current great opportunity as a nation?

#### Balcerowicz: Inflationary Worries

90EP0112B Warsaw *RZECZPOSPOLITA* in Polish  
29 Sep 89 pp 1, 2

[Interview with Leszek Balcerowicz, deputy premier, Minister of Finance, by Janusz Kotarski: "The Greater Our Effort the Greater the Chance for Getting Aid"; date and place not given]

[Text] [RZECZPOSPOLITA] You have returned from the annual "summit meeting" of the International Monetary Fund and the World Bank. There, you presented a memorandum on the Polish economic program. We have no right to complain because that program was first presented abroad, considering that it simply coincided with that meeting. But could you tell us how it was received? (Question asked of Vice Premier Leszek Balcerowicz following his return from Washington, D. C.)

[Balcerowicz] Let me assure you that the delay in presenting the economic program to the Polish society will be slight. I want to present this program in greater detail, because it is principally the society itself that will be decisive to its fulfillment.

The memorandum which we had presented in Washington is a more elaborate version of the principal intentions contained in the premier's speech; intentions refined as a result of intensive work by the government and the Economic Committee of the Council of Ministers in the last 2 weeks.

Here, two kinds of measures may be distinguished: stabilizing measures to master and subsequently smother inflation and far-reaching institutional reforms which we

want to initiate even before this year is over and complete or greatly advance next year. This concerns demopolizing the economy, changing modes of property, and reforming the tax and budget systems.

Against the background of these intentions, we informed our foreign partners of our views on their support for the reform program in Poland. This approach met, I believe, with their understanding and goodwill because, among other things, it is diametrically opposite to that practiced in the 1970's when foreign credit was merely a kind of "first-aid plaster" for economic difficulties in our country.

We discussed support for our economic program in two stages. During the first stage, in the next 2 or 3 months, we must focus on combatting inflation. We pointed to the importance of filling the menacing gap in our balance of payments during that period. We offered a proposal for giving us access to a credit line on the ground that it is indispensable to preparing and implementing our program and to averting the progressive disintegration of the economy. That proposal met with understanding, although concrete results cannot as yet be mentioned.

Furthermore, for the end of 1989 and the beginning of 1990 we are planning much more serious changes in combination with a decisive anti-inflation operation. We hope that the agreement previously concluded with the IMF will by then result in a more substantial credit assistance. We also offered a proposal for additional foreign-exchange assistance serving to achieve uniform and stable currency rates of exchange. This is an important element of the anti-inflation program. We also count on credit assistance from the World Bank as related to institutional changes in the Polish economy.

But I wish to emphasize strongly that the approach by our partners clearly reflects a relationship between what we are ourselves doing in this country and what they are ready to do for us. Any step undermining our credibility, the feasibility of our program, and the sincerity of the declaration that a resolute struggle has been undertaken against inflation and to restrict the growth of incomes, automatically reduces the scope and chances for any foreign aid.

[RZECZPOSPOLITA] In other words, in a nutshell: the greater our efforts the more effective the foreign aid is, and the more effective that aid, the lighter is the burden of the economic program on the Polish society....

[Balcerowicz] I think that this is a good summing-up of the problem.

[RZECZPOSPOLITA] However, reports from Washington indicate that any long-range and fundamental measures to grant economic assistance to Poland are contingent on the opinion of an IMF mission which is soon to arrive in this country, and that the governors of the IMF are awaiting that opinion before they can make important related decisions. Does that still apply?

[Balcerowicz] Certainly. This is a normal procedure. Our Western partners are concerned to bring about the drafting and implementation of an economic program that would convince them that their aid would not be wasted. I perceive no contradictions between what we want to do in the interest of our country and the expectations of the Western partners. However, we stressed that we cannot accomplish three things simultaneously: combat inflation, transform the economic system, and improve the balance of payments. We should concentrate on the first two issues. But in order that we may resolve these issues efficiently and without causing any major social tensions, we need breathing room so far as meeting our debt obligations is concerned. I hope that this approach also shall meet with understanding. If we demonstrate resoluteness in tackling the first two issues mentioned above, and particularly in combatting inflation, we can, I believe, expect that demands to increase our debt payments will not be made.

[RZECZPOSPOLITA] Since you give priority to combatting inflation, I must unfortunately pass on to you a piece of bad news, bad from that standpoint: last Saturday the Sejm commissions considering the draft budget for October resolved to leave in the government draft only its inflationary part (an increase in deficit) while at the same time rejecting the government's proposals for increasing the fiscal revenues. Could you make an on-the-spot comment on this fact?

[Balcerowicz] While in Washington my schedule of meetings was very crowded and I could not accurately keep track of what was happening in this country. But I realized the importance of these things, their great effect on our credibility.

This news disturbs me very seriously. The draft budget was, I admit, controversial. This was because, among other things, we had only a few days to prepare it. Nevertheless, we thought it necessary to propose solutions that essentially reduce to salvaging government finances and reversing, at least, the trends toward growing expenditures and diminishing revenues. One of the means toward this end was to be the introduction of the so-called [tax] collection orders. The rejection of these proposals means that essentially the "passed" budget deficit is to some extent artificial, for it may actually turn out to be greater if we are deprived of the instruments for enhancing the revenues. I do not know whether all the members of the commission who rejected the government's proposals realized that in this way they supported a greater than anticipated actual budget deficit in October. I do not know, of course, all the details, but what I had learned during the first 10 minutes following my return to this country perturbs me greatly.

**Samsonowicz: Self-Management in Education**

90EP00112C Warsaw *RZECZPOSPOLITA* in Polish  
30 Sep 89 pp 1, 2

[Interview with Henryk Samsonowicz, Minister of National Education, by Antoni Kowalik: "Without Straitjackets and Dogmas"; date and place not given]

[Text] [RZECZPOSPOLITA] Mr. Minister, it is said that if the changes with which we are concerned are to take place in this country, first at least two generations of Poles have to be correspondingly raised and educated.

[Samsonowicz] No such thing. I am familiar with examples from the last 2,000 years that show otherwise, and several of them I recall personally, for instance, in an article published in the spring of 1945, learned scholars calculated how many generations would be needed in order to rebuild Warsaw. We were not supposed to live long enough to witness it. To be sure, were these gentlemen to see our National Capital nowadays, with excavations and scaffoldings everywhere, they might think that they were right—but that is not the case. Besides, barely a year ago political scientists had claimed that several or a dozen years more will have to elapse before basic changes could take place in Poland. They were wrong.

[RZECZPOSPOLITA] Do you believe that what is left to us—human resources, that is, talents and aspirations, can be channeled to restore the country's health?

[Samsonowicz] Of course. Many people performed poorly in the past, because such were the conditions, and they adapted themselves to these conditions. If people are given a chance to work well or to engage in some activity, they willingly avail themselves of it. Besides, there is also the wonderful rising generation. It also must be afforded this chance so that it could change our life without feeling discouraged or acquiring complexes. Then the young will not feel frustrated and will not be escaping abroad.

[RZECZPOSPOLITA] The present state of education is perilous and causes many apprehensions. A different educational system is needed, in a word, a different kind of school, one friendly to students and teaching them to think, is needed. How to accomplish it, especially considering that the coffers are empty?

[Samsonowicz] Indeed, ever since the fatal invention by the Phoenicians life without money has become difficult if not impossible. The schools mirror the situation and problems of the society, which nowadays is but a step removed from destitution. The situation of the schools, especially the higher ones, is the same. The point is to give people what can be given, of course not in lieu of money. I am thinking of changes in the entire nonmaterial domain, without any restrictions.

[RZECZPOSPOLITA] Many will object that this means substitute actions.

[Samsonowicz] No, I wish to emphasize strongly that we are discussing nonmaterial issues not only owing to the lack of funds but also and chiefly because at present this is a fundamental issue. Money alone, no matter how much, will be ineffective if used to shore up old structures. In the 1970's, when the economy was better, was the school system different and better?

[RZECZPOSPOLITA] Then what educational problems will your ministry tackle in the immediate future?

[Samsonowicz] All aspects of school life require a calm, objective, and profound reflection. This concerns, e.g., the system for organizing and administering education. Structures should be simplified and far-reaching legislative measures linked to changes in regional self-government should be carried out. Such self-government must be a major factor in assuring proper operating conditions at schools. Curriculums of instruction must change. The teacher training system is in need of a reform. A network of experimental schools and auctorial classes should be set up. The broadening of the textbook base is still an extremely topical issue. Something must finally be done to end [the shortages of] books and notebooks.

[RZECZPOSPOLITA] Mr. Minister, now that the school year is beginning, the community is awaiting the decree [on education].

[Samsonowicz] We want the draft of that decree to be completed by next March. It is being handled by a commission under the Main Council for Science and Higher Education.

[RZECZPOSPOLITA] What should that decree be like?

[Samsonowicz] It should be sufficiently general to define only the operating principles of educational institutions and point to their place in national culture or in the structures of the Polish educational system as a whole. That is, it should not provide for specific solutions nor impose them on all schools. Teaching, like any other activity by uncommon, original, or even eccentric individuals—for whom also there is a place in the school—cannot be enclosed in the straitjacket of rigid regulations, just as new, innovative thinking cannot be decreed by fiat.

[RZECZPOSPOLITA] At a meeting with university presidents you had emphasized the role of faculty and student self-governance.

[Samsonowicz] Yes, self-governance should decide the manner in which higher educational institutions will accomplish the purposes for which they were established—serving the public good, the country, and the state.

[RZECZPOSPOLITA] We [the Polish society] have become somewhat sensitive to that word, "service" [i.e., servility, subservience to the regime].

[Samsonowicz] Because it was interpreted as promoting personal gain. This is wrong. After all, if we consider history, Copernicus' discovery did not result in a flow of foreign exchange revenues to the state, but nevertheless it was a crucial event to science, and not only to science.

[RZECZPOSPOLITA] Then there are the criticisms, particularly by students, of the instructional approach followed at institutions of higher education. What approach do you consider most proper at these institutions?

[Samsonowicz] Instruction must be adapted to knowledge and the state of scientific research as well as to the changing needs in the course of the academic year. This is another argument in favor of a generalized approach in the draft decree. The principal form of instruction in higher schools should be the contact between the master and the disciple, that is, the seminar, a form existing since the onset of our civilization, and so far no one has thought up anything better than that.

Universities also are the place where the rising generation must be introduced to civics. That, too, cannot be accomplished by means of lectures. That would be a misunderstanding. The young must gain practical experience in becoming citizens of this country, and hence take decisions and accept responsibility for them. Of a certainty, such activity will more than once cause us headaches, but it is unusually important to education and upbringing.

### Ministers State Views, Discuss Plans, Different Approaches

#### Transport: Draft Laws Viewed

90EP0082A Warsaw RZECZPOSPOLITA in Polish  
25 Sep 89 p 1

[Statement by Adam Wieladek, minister of Transportation and Communication]

[Text] In July and August of this year we experienced a wave of discontent that led to strikes on the railroads, in communications, and the PKS [National Bus System]. This has never happened in the past. I want to keep the promise I made then, that the new leadership of this department will analyze the situation and make decisions on issues of wages, benefits, etc. I am especially concerned about this, since winter is coming, and transportation must run smoothly. This is why I mention this issue first.

What next? The preparation of an organizational plan for automotive transportation in Poland. Work has begun; before September is out, I would like to have an initial vision, and in October I would like to be getting to concrete solutions that would be implemented beginning in January of next year [1990], if all turns out well.

This is not all that awaits me as the new minister of transportation. From the standpoint of the foodstuffs

economy there is an urgent need to implement the resolutions of the Economic Committee of the Council of Ministers concerning the merger of the fishing economy into the foodstuffs system. What does that mean, what practical results will that have? Primarily, it will permit us to liberate our poor budget from the many subsidies that have been applied to date. The removal of subsidies will allow the real prices to establish themselves, and, I think, will restore the economic situation in this area to health. Obviously, from the department's standpoint, we are concerned with expediting this matter in a formal, legal sense.

In a similar vein, viewing it from a legislative standpoint, I will move to have the Sejm confirm three so-called maritime acts. They have already been drafted, but unfortunately they have yet to be deliberated, though their story goes back a good few years. I am thinking of the maritime code, a territorial waters and Polish maritime administration act, and a merchant marine act.

The Transport Act is also in need of renovation. This involves marketizing, as quickly as possible, freight transport, not, as hitherto, the administrative establishment of tariffs. So I do not envy the Sejm, because we are submitting a large package of draft acts and we are counting on quick decisions.

And now, perhaps, a few sentences about more down-to-earth matters. Winter is coming, and we have to prepare for it in every way. This is a routine activity, but nevertheless—and I want to underscore this—the economic situation is poor, and social discipline has become lax. It will be difficult to attain a state in which transportation could operate reliably in any kind of weather. Furthermore, I won't have society grumbling about the new administrations "ministrations." I say that openly... and with conviction.

#### Domestic Market: Role in Marketization

90EP0082B Warsaw RZECZPOSPOLITA in Polish  
25 Sep 89 p 1

[Statement by Aleksander Mackiewicz, minister of Domestic Trade]

[Text] The basic issue is defining the function of the domestic market within the market economy model. It is also urgent that we resolve the question of whether the Ministry of Domestic Trade is supposed to be a distributor of goods and services, or a department that creates a market and in doing so inaugurates a market economy. This should be made more explicit at the time the clarified plan for the functioning of the national economy is accepted.

A market, like a mirror, reflects all of the insufficiencies of our surroundings. In a condition of total economic crisis, and especially in a monopolized economy like ours, it seems to me that the domestic market department should be equipped with the tools that will enable it to intervene when necessary, mitigating the results of

marketization. A certain amount of interventionism by the state is, after all, necessary, and is used throughout the world even where a market economy is in full swing. It must be clearly stated that the purpose of production is to satisfy the needs of people in this country; foreign trade cannot be a goal in and of itself, nor can industry function for the sake of industry, though that is sometimes how it has been to date.

In this light, the following issues—in my opinion—are most urgently in need of the regulation, and I will make them my first order of business. It is high time we demonopolized the retail sales network. The options here are varied, primarily leasing or selling stores. It seems to me that the establishment of a national pricing policy is also necessary and urgent. The practice to date, of raising prices under monopoly conditions, aggravates inflation, which can ruin the economy and create a situation of uncertainty in economic activity, which is felt with particular intensity on the foodstuffs market.

I will also push for rapid changes in legal status in order to protect the state's monopoly in the production and distribution of alcohol. The present regulations threaten the state with multimillion [-zloty] losses due to the heavy private importation of alcohol from the hard-currency zone.

I also consider the question of the proper use of foreign aid to be very germane, and I see a role for myself here, as well. The MRW [Ministry of Domestic Trade], which possesses the most complete information about shortages and imminent events, should direct that aid, guiding funding, raw materials, and products where they can best and most quickly be used. Having good discernment, we wish to decide to whom incoming products should go. It does not always have to be the large, and most frequently still monopolized, processing plants. Could they actually be processed best, from the standpoint of society's interests, by a craftsman or a small cooperative?

#### Office of Central Planning

90EP0082C Warsaw RZECZPOSPOLITA in Polish  
18 Sep 89 p 1

[Interview with Jerzy Osiatynski, minister, director, Office of Central Planning, by Krzysztof Bien: "In the Direction of a Market Economy"; date and place not given]

[Text] [RZECZPOSPOLITA] In your credo, published in RZECZPOSPOLITA, there was a sentence that said that the Central Planning Office, of which you are presently the director, should have the character of a staff institution for the government. But in fact that is what it has been.

[Osiatynski] The Central Planning Office's [CUP] predecessor, the Planning Commission, itself decided, distributed, and disbursed in many matters. From the moment the CUP came into existence, the situation

began to change. It is necessary to intensify that process, and by that I mean at least three sets of issues.

First, it involves the preparation of clear, legible alternatives for development. Ones that indicate the consequences of decisions made today: in a year, in two years, or in ten years. The government making a decision must be conscious of the real, existing limits to choice.

Second, the CUP must and will warn that the processes now underway in the economy threaten to have some previously unforeseen consequences. So it should continually prepare prognoses of the country's development.

[RZECZPOSPOLITA] Haven't such analyses been done before this?

[Osiatynski] Yes, they were, and here I should give a few words of explanation. During the Sejm hearings of Ministry candidates, when I was talking about this very role of the CUP, I emphasized that such warnings would perhaps enable us to avoid operations like "marketization" in August. In this case, I ascertained on the spot that there were such warnings from the CUP. However, no attention was paid them.

So, I would like to emphasize that I will do everything I can to ensure that the premonitory prognoses that the CUP will prepare get the broadest possible reception within society. By their nature, they have to be addressed to other state officials, but at the same time they must be known to broad public opinion.

[RZECZPOSPOLITA] You spoke about three sets of issues.

[Osiatynski] The third one is fostering the mechanisms of the market. I am thinking about the planning infrastructure, one that fostered market processes in Italy, Japan, or some Southeast Asian countries. And in this case it is a matter of presenting certain options, primarily informational materials about the direction in which the market is developing, the way demand is shaping up, new technologies, new manufacturing processes.

This involves the entrepreneurs themselves, not some territorial administrative department; they have the best possible conditions under which to make economic decisions. The entrepreneurs will make economic decisions at their own risk, on their own responsibility, and there is no doubt they will make mistakes, because that is the nature of the economic process. Our task, however, will be to minimize the errors, to equip them with knowledge, and to facilitate contacts.

Obviously, all of these issues are not new. Shaping the new functions of the CUP, specific as they are to an economic system that is autoregulated by the market, was begun by my predecessor in this position. So there is no need for any radical alteration in mindset, just more consistency in our actions.

[RZECZPOSPOLITA] What you are talking about pertains to extraordinarily important issues, but how can

you not be concerned for long-term matters. Meanwhile, this is the middle of September. Prices are rising, and it is getting colder outside. Many issues require quick decisions. What kind of answer can you give right now in this regard?

[Osiatynski] That is precisely why the issue in the foreground is answering the question of how to survive the next few weeks, and then how to survive the winter. And this while thinking about the future. To put it succinctly, current matters, the program of immediate activities that we have already undertaken, are the most important things right now.

But partial solutions for the immediate future cannot be at odds with systemic solutions for the market economy. I cannot exclude the necessity of applying various administrative methods temporarily, for the short term. But if we have any choice whatsoever, we will seek autoregulating, market-type solutions. Indirect solutions, not direct ones. Because short-term solutions cannot distract us from our primary task, from preparing the systemic solutions that are proper to a market economy.

### Housing Development Priorities

90EP0082D Warsaw RZECZPOSPOLITA in Polish  
23-24 Sep 89 pp 1, 2

[Interview with Aleksander Paszynski, minister, Land Use Management and Construction, by Andrzej Zielinski: "A Way To Have Housing"; date and place not given]

[Text] [RZECZPOSPOLITA] Every government prepares its housing programs. Those before you also had such a program. Are you now preparing your own, rejecting what has gone before?

[Paszynski] Nothing should be rejected or changed violently... But I will begin with my own program. I do not see a need to create something entirely new here. I think that one of the motives the premier had in mind when he chose me, specifically, to fill this post, was the fact that I accept, at least generally, this viewpoint or this way of understanding the housing issue as I presented it in the propositions I launched long ago.

They formed the basis for negotiations in the days of the roundtable, on the housing policy team, and form an integral part of the understandings reached there. In this way, then, the general program was sketched out before I assumed this function. Anyway, talk has been vague for some time about the Ferensztajn program or the Paszynski program, especially in construction and housing circles, because it was not possible to link an entire program with one name.

It was like this: When he entered this building, Minister Ferensztajn, after being in charge for a few days, approached me with the proposition of using certain elements of my program in his basic assumptions. If you

look at them closely, you see that there are many identical points in these two programs.

[RZECZPOSPOLITA] So what are the differences?

[Paszynski] The basic difference is that in terms of wording we did not differ much, while Minister Ferensztajn acted much more cautiously, in a certain sense inconsistently. He did not implement all of the elements of his program simultaneously, but individually, as fragments. That did not yield the expected effects.

[RZECZPOSPOLITA] This was the government's program, but the minister of land use management and construction was responsible for it. He was practically left alone with that program. Is there danger of this situation repeating itself?

[Paszynski] It is a delusion to think that any minister can himself solve the basic problems within the domain of the department he directs. I think that the Polish housing tragedy is due precisely to the fact that, as before, all of the innumerable housing programs we have had, many good ones among them, were treated as propaganda programs, not real ones.

If I summon my own recollections, this is not the first time I have been offered a place in this building. But before this I felt that the people offering me this position, while they touted the priority of housing, were closer to slogans than to reality. I took a great risk in agreeing now, even a personal risk, in the hope that we are through with the era of propaganda and have entered an era of accomplishment. But we are entering that era under the worst possible conditions. The economy is on the brink of bankruptcy, or has already gone over the brink.

In light of that, it would be unreal to make any promises about this program being achieved well. The basis issue for the country today is to slow down the collapse of the economy, and that is an activity that is not yet having any effect. The time we have in which to avert that collapse is very short. But it is only on the basis of decelerated regression that it will be possible to talk about certain positive activities. Even now, however, I see certain advantageous opportunities for construction.

[RZECZPOSPOLITA] You were, after all, a proponent of the thesis that construction can be a way out for the country.

[Paszynski] I see it that way. I admit I do not know whether the government can afford it, but a radical stoppage of industrial investments is absolutely necessary. Obviously, counting on losses. The motive for restricting them should be the status of the treasury, primarily. There is no physical possibility of carrying out and completing that investment program.

However, that would create new possibilities for housing construction. First of all, it would put the majority of industrial and specialized building contractors in a situation resembling bankruptcy.



[RZECZPOSPOLITA] But their financial situation is generally wonderful!

[Paszynski] I am talking about their project portfolio. When they lose that portfolio there is a chance of transferring that potential, for restructuring. After all, there's been talk of that for years. Anyway, today we have the first indications that certain, more sensible directorates of these contractors are beginning to seek new types of projects, and are even thinking about single-family housing construction.

The second advantageous circumstance is that there is some chance of transferring "consumer" construction materials through those investments. Not all of them will get into residential construction, but some will, like reinforcing steel, cement... Furthermore, the contractors who are building factories do not just put up the shell, they do masonry, plastering, utility installations. So they are prepared to build homes. They can also do site development, the entire technical infrastructure for cities and housing developments.

But here we encounter barriers. There is no building materials trade in Poland aside from the imperfect and limited network of Village Cooperative depots. We have to think immediately about creating a network for a normal building materials trade, because if we do not, they will fall into the hands of middlemen. I have just had my first discussion with the minister of domestic trade. The question arose of who should be the initiator: trade or construction.

[RZECZPOSPOLITA] Trade, obviously!

[Paszynski] But it has to want to. There are more limitations like that than we imagine.

[RZECZPOSPOLITA] All right, but in the meantime, construction is defeated, contractors are in ruins, there are no materials, no land, either, everything is getting more expensive, and plans are not being fulfilled. How can that be stopped?

[Paszynski] I will start by stating that I am not interested in the plan. A hundred dwellings, or even a thousand, more or less, are only a problem of presenting percentual fulfillment of the plan, and are of no importance to the situation.

[RZECZPOSPOLITA] If there is little planning, it's hard to be behind plan ...

[Paszynski] Exactly. 99 or 98 thousand dwellings really are a drop in the ocean of need. Obviously, the fate of each family is important here, but from the standpoint of a certain strategy of action, that really is not where the problem lies. If something is important, it is necessary to create the conditions under which not a hundred or a thousand, but at least ten thousand or a hundred thousand can be achieved. Because only on that kind of scale can something change.

[RZECZPOSPOLITA] Is that realistic under present conditions?

[Paszynski] Yes. I feel that that kind of immediate, spectacular possibility resides in relocating the currents of supply. If we have 350,000 single-family homes under construction, and 60,000 are given out every year, then it is easy to compute that a house takes 5-6 years to build. That is an absurd building cycle.

So let us take a look. The land is already there, and we do not have to acquire it. If the pool of materials designated for this construction increases, if we consolidate those credits for people who are ready to build quickly, if we liberalize the regulations surrounding the acquisition of a home, then I see a chance of shortening the building cycle to two years.

This immediately gives an acceleration of 80,000-100,000 dwellings in two years, maybe even three. It would be the first gasp that would permit the achievement of the spectacular success that is so necessary to society and to this department, and it would give us time for more systematic preparations to accelerate construction over those three years. Of the immediate tasks, that is precisely the one I would like to concentrate on.

[RZECZPOSPOLITA] But the correct sequence is really this: first community investments, and housing construction only after that.

[Paszynski] As far as those 350,000 homes are concerned, that is not a problem. I hope that many of the industrial construction contractors "liberated" from the duty of building factories will help out in the community investments.

That leaves the money and materials. The greatest uncertainty is with the money. Increasing the proportion of personal funds that the population must expend for residential construction must be accompanied by a diversion of funds to community investments. We have to concentrate them on what people cannot do for themselves. That, too, is a strategic assumption.

As far as materials are concerned, I would like to create, jointly with the Agency for Foreign Investment Affairs, a construction department, either within the ministry or within the agency, which would be able to propose that manufacturing be set in motion to produce materials that are in short supply for community investments and residential construction. If we intensify the activity that my predecessor set in motion (tax breaks for new companies), then we can also expect [material missing as published] to change something.

[RZECZPOSPOLITA] And what about help for old companies?

[Paszynski] Put an end to defending the old structures. It seems, and this was a mistake on the part of my predecessors, that for various reasons they tried to defend what used to pass for construction. Defending it makes no sense, because it is inefficient by nature. Even if we



could return to the so-called mountaintop achievements of the 1970's, it turns out that under socialized construction, no more than 200,000 homes were built...

[RZECZPOSPOLITA] ... and that the construction year often lasted a few months longer than the calendar year.

[Paszynski] Precisely. So defending it does not make anything easier. If a housing combine or factory can adapt to the new situation, that's fine. Nothing by force, however. We should not be saving contractors, e.g., by means of tax breaks. After all, the employees won't starve, they'll certainly go into construction, to the associations, to private enterprises, to new organizations.

And they say the pay is better there. OK, but for a much higher work productivity rate. If an enterprise increases its productivity, then I am all for it having complete freedom with wages. If it is having trouble completing a prefabricated building, let it sell it as is to a residential association, or a small cooperative. Let the building company itself think about selling the buildings, not just about taking orders. Employees' cooperatives should be springing up, taking advantage of its equipment or tools, in exchange for, say, working it off for the company, or doing certain projects...

That is my mindset, with which I would like to "infect" builders in Poland. We really can build more at present, we just have to build differently. I will strive to create all the conditions necessary for that.

### **Michnik Addresses Question of Reunified Germany**

90EP0093A Hamburg DER SPIEGEL in German  
No 42, 16 Oct 89 pp 49-52

[Essay by Adam Michnik, 43, Polish historian who spent a total of 5 years in prison; the Solidarity trade union's ideologue: "Is the GDR's Existence in Poland's Interest?"]

[Text] Insistence on the partition of Germany was a dogma of Polish foreign policy of the past decades. Any striving for reunification of the Germans was seen here as a danger for peace and stability in Europe and also a danger for the balance of powers. And lastly, German unity also seemed to contradict the Polish *raison d'être*.

A German politician speaking of reunification was considered a revanchist who had his eyes on the territorial integrity of the Polish state.

Because German policy did not want to—or could not—express unequivocally that the Polish western border is untouchable and final, nebulous formulations, of which reservations were an integral part, were the rule.

Understandably, our policy vis-a-vis Germany also had an instrumental function in the area of Polish domestic policy: It was a method to blackmail the democratic

opposition and to justify total subjugation to the political concepts of the respective Soviet leadership team. Under this aspect, the existence of the Soviet Union as well as the model of Polish-Soviet relations determined by the Soviets were a kind of guarantee for the security of the western Polish border.

But today this entire system is teetering because the world which had spawned it is now on the road to nothingness. Traditional constellations are becoming more and more anachronistic.

What is the GDR today in actuality? It is a police state where Soviet troops are stationed, but where Soviet newspapers are banned because they print some crumbs of truth about the Stalin era.

The GDR is a state which refuses to follow the Soviet policy of democratic restructuring and which uses strong repression vis-a-vis internal critics from circles of the Evangelical church and the democratic opposition.

It is a state from which people try to flee in any conceivable way and manner, and which is obviously incapable of containing this exodus except with the help of wall and barbed wire.

Finally, it is the one of the two German states which recently, in the conflict about the Pomeranian Bay, has tried to make the first breach in the Polish western border which for decades was called the peace border.<sup>1</sup>

What, on the other hand, is the FRG?

It is a state to which ever more Poles are coming in search of work and wages, whereby ever more of them claim to be Germans.

It is a state which since Willy Brandt's Ostpolitik—although the SPD [Social Democratic Party of Germany] had accepted the proclamation of martial law in Poland—can no longer be considered an enemy of Poland.

However, at the same time the FRG is a state whose ministers, under the pressure of the extreme right, from time to time repeat formulations which put fear into the Poles. It is thus a state which formulates its policy vis-a-vis Poland not without taking into consideration the party of the so-called Republicans. The image remains contradictory—and not only in this respect.

Paradoxically, the end of the Stalin-Brezhnev order in Central Europe has increased in Poland the obsessive fear, characteristic of the former Polish party chief Gomulka, of a new variant of the German-Soviet alliance directed against Poland's interests.

This could be observed recently after Prof Geremek, chairman of the parliamentary caucus of the Solidarity citizens' committee, had declared that as a member of a people which had been divided for many years and robbed of its own statehood, he holds the conviction that

the Germans, also, had the right to a united state, and that in a free Europe it would be possible to solve this problem.

The ensuing attacks by communist propaganda against Geremek and the growing anti-German tone in the party press seem to prove an increase in the fears mentioned above.

It would be wrong to claim these fears are unfounded, even if it is doubtful whether the rhetoric used by communists can have the desired effect.

The coalition government of Tadeusz Mazowiecki will surely continue to spin some of the threads of former foreign policy, but it will also contribute its own tenor. The appointment of Mieczyslaw Pszon as government representative for the negotiations with Bonn can serve as an indication.

Without being authorized to speak in the name of the Mazowiecki government, I should like to permit myself a few brief thoughts on the future of Central Europe. How will it go on?

The answer depends to a great extent on whether a radical turnaround in German-Soviet relations is possible.

This is very likely in view of the new tenor in the Soviet press and the new attitude towards the subject of Soviet citizens of German nationality. That, however, also throws a new light on the problem complex of de-Stalinization of the GDR.

Up to now the formulation of that clever German seemed to suffice who said: "There are three German states—the FRG, the GDR, and Austria. I would have nothing against its staying that way, however with the condition that the second of these states grants the same extent of civil rights as the other two."

Hence today the Polish minimum for Polish-German relations must be: The reunification of Germans is a matter for the Germans themselves, but also for all those nations which have paid with their blood for the collapse of the Third Reich. Thus it [reunification] depends on the matter of a guarantee that Germans are no longer a threat to anyone.

But it is also our duty to say that the Germans have a right to a state according to their own conceptions. To declare this is not only an order of morality but also an order of the Polish *raison d'être*. After all, the anomalous situation of the German people also casts its shadow on the totality of Polish-German relations, which also definitely concern the living conditions of those Polish citizens who profess German ethnicity.

It is a matter of the dignity of Polish democracy that this problem be solved by respecting all principles of civil rights. But that is a Polish affair which must not become the subject of international treaties. Linking the rights of

national minorities to international treaties is a calamitous tradition and would awaken grim memories in Poland.

This does not alter the fact that there is a problem of Polish presence in regions which had been part of Germany for many years and were inhabited by Germans. Silesia, for example, must never be a bone of contention—but it could become a site for a Polish-German encounter.

Each one of us has his great fatherland and at the same time his small, regional homeland. Certainly Silesia in the narrower sense will forever remain the homeland of all Silesians, regardless whether they live in one of the two German states, in the United States, France, or Canada—or in Poland.

Each one of them feels himself a part of Silesia. And it would be worthwhile to work towards [the goal] that this Silesia remains forever the homeland of all Silesians. In this the Poles must have the certainty that Silesia is a part of Poland and will remain so.

If we wish for a turnaround in German-Polish relations, the Germans also must have a certainty—namely, that the Poles have no interest whatsoever in maintaining the Stalinist order in the GDR.

The problem of Poland's relationship with the GDR is gaining particular importance today. How great the sensitivity of Polish policy is in this respect is shown by the example of censorship intervention in the case of publications on the subject of the GDR, although the censorship office in today's Poland is more liberal than ever, and in addition is directly under the authority of Prime Minister Mazowiecki.

Should the present doctrine be maintained, according to which the existence of a second German state is useful to Poland, that state which was established by Stalin on the territory of the Soviet occupation zone? In other words: Is it in the Polish national interest to do something for the stabilization model of the GDR which makes it a bulwark of Stalinist order in Central Europe?

The GDR press does not conceal its criticism of de-Stalinization in Poland, in Hungary, and even in the Soviet Union, while it gleefully approved the massacre on the Square of Heavenly Peace in Beijing.

Refugees from the GDR have also sought shelter in Warsaw. Would it have been better to deliver these people into the hands of the East German police, thus ensuring Honecker's gratitude? Or was it better to let them go to the FRG, thus earning the gratitude of simple German people?

These are only a few of the new issues confronting Polish policy. For a correct policy always requires a correct diagnosis, such as: whether the opposition groups in the GDR of the type of "New Forum" have a future, or else, if one must consider them as temporary?

How much time is left for the Stalinist order in the GDR at a time when the iron grip of direct Soviet pressure is loosening?

If today even Peter Bender, who had justified the Ostpolitik of the SPD so convincingly, admits the de facto end of previous philosophical constructions, then one must consider whether the Poles, also, should look in the GDR for different partners for political dialogue and no longer limit themselves to talks with the SED [Socialist Unity Party of Germany] leadership. However, I can hardly conceive that already tomorrow a powerful reform wing will rise in the SED such as in the Hungarian Socialist Workers' Party which has removed the word "workers" from its name.

And one can hardly expect, either, that a societal force of the power and competence of Solidarity will develop: The SED state has lost too many people, particularly intellectuals and politically engaged people, in the 40 years of its existence.

Nevertheless: Who in the West would have thought before 1980 that in the People's Republic of Poland a workers' organization would so suddenly become the leading political force? And who would have thought after martial law that the trade union, outlawed and banned from the public, whose leaders were imprisoned and isolated, a short 8 years later would provide the Polish prime minister and be called upon by the people in more or less free elections to solve our country's grave problems? Of course, this democratic civil right was not given as a present to Solidarity, particularly not by the Polish Communists. But they have resigned themselves to this people's referendum, albeit reluctantly.

And furthermore: Before Gorbachev became general secretary of the CPSU, no one knew what he would stand for and how far he would go. He was a man of the system, but he knew its catastrophic weaknesses and even dared to draw the necessary consequences which in the end will overcome the system. He spoke of the "second Russian revolution"—it is the first, the real Russian revolution.

As a Pole I cannot believe that the GDR, although drained of blood like no other East bloc country, in the long term will be the only region between Elbe and Volga where reason and humanity remain locked out once the "common house of Europe" is created.

But once it is created, as the great clasp between East and West, it will also manage to cope with a reunited Germany.

#### Footnote

1. The territorial waters claimed by the GDR, 12 nautical miles wide, would have barred Poland's access to the mouth of the Oder River.

## YUGOSLAVIA

### Noted Zagreb Lawyer on Political, Legal Issues

90EB0008A Zagreb START in Serbo-Croatian No 537  
19 Aug 89 pp 14-19, 28

[Interview with Silvije Degen by Suncana Novak: "Silvije Degen"; date and place not given]

[Text] A conversation with a well-known Zagreb lawyer on the position of the legal profession, the politicized judicial system, "bloody cases," and how he defended Artukovic, represented Khomeini, and sold Zungul....

"In the name of Allah the merciful and compassionate: Esteemed Mr Degen, We have the honor of delivering to you a copy of articles 107 to 115 of the Iranian Constitution, in the hope that this will be of use to you...." (A letter from the Iranian Embassy on 22 May 1989).

When the Embassy of the Islamic Republic of Iran contacted Zagreb lawyer Silvije Degen and hired him to initiate criminal proceedings against three Yugoslav citizens—for insulting the leader Khomeini—all of this could have seemed unusual to anyone even slightly familiar with the judicial situation in this city, except for the choice of a lawyer. At the request of the embassy, he assumed the role of plaintiff, and if by some chance Radio 101, the loudspeaker of public opinion, had organized a poll through Zagreb's streets with the question of who could take such a problematical legal case, it would certainly have received the correct answer, based on such a casual sampling. In the memory of Yugoslavs, and especially residents of Zagreb, Silvije Degen remains the lawyer who most often appears on the pages of newspapers, even if it is in the "scandal column." He is spoken of as a clever scion of the "shyster class"; they say that he thinks at the speed of 500 miles per hour, and that it is hard to catch up with him in speaking and even harder to interrupt him; there are always numerous reporters in his vicinity, and their meeting place is in Zrinjevac's so-called "False Witness," close to the District Court.

During the last 15 years, his name has mainly been associated with the "devil's triangle" of highly publicized fields: sports (scandals), criminal law (bloody killings), and medicine (protection of the unborn).

Silvije Degen's law office is housed today in a spacious apartment located across from the Zagreb railroad station, facing the legendary Steige [gathering place for idlers in Republic Square]. During his 20 years as a lawyer, Degen's office has turned into a sort of sanitarium for those who have stumbled: He has even accepted the worst ones, i.e. pathological cases over which people have been shocked and wrung their hands, wondering instinctively, "But how could he ever defend them?"

The story, however, as Degen explains today, began much earlier, in a traditional lawyers' family in which

little Silvije, a loner, "emotional and hardheaded as they usually are," grew up listening to petty disagreements, the gossip of judges, and their in-laws. He recalls that it was explained to him a long time ago that "der Degen" in German meant sword, and figuratively, hero. Nevertheless, he did not want to become a judge. Perhaps a private disillusionment with the legal environment occurred very early; in fact, he recalls quite well one conversation that he listened to while hiding under the stairs. He heard a district court judge telling how he had given a defendant 10 years in prison, and had thought that he only deserved 3, but was outvoted: "After all, I didn't give them to myself." Since then, he has considered himself a defender of the accused. Kaleidoscopic pictures from his postwar childhood make an impression today in the manner of socialist realism: He grew up in a "civil servant" family with a mutual assistance fund and workers' resorts during the first years, and "cooking pans" from the cafeteria. His father, Dr Silvije Degen, was actually a judge, a prominent gentleman who continued to work as a judge after the war, in an altered social and political milieu, different from the one in which he had grown up. The prewar Zagreb intellectual elite of Viennese origin, the aristocrats and counts von Degen, were characterized above all by his grandmother, the first woman judge in this region, and family tradition also mentions Jacob Degen, who in 1807 was among the first people in the world to "fly in some unusual self-powered contraption" (the records and the encyclopedia say "Flugmaschine"). One Degen built the Vienna-Trieste railroad, but the best known was the bellmaker Heinrich Degen, whose bells resound from the Zagreb Cathedral, and whom the city repaid with Degen Street.

His family fetishism is evident from the large portrait of his grandmother in the place of honor in the office, and a little out of view there is also a genuine skull with a bullet hole in the forehead; this bears witness to the first case of a killer whom he defended. Degen is also known as an uncritical admirer of the work of Mersad Berber....

Even as a young lawyer (even then, as one can see from pictures, he wore his hair in his own way, outside the limits of fashion), he represented the Zagreb film company FAS and producer Vukotic, who was injured by the publication of a (stolen) picture of the first Yugoslav automobile, the Stojadina. There followed a traffic accident in Remetinac and several major political trials (the explosion of a bomb in front of the Zagreb bank). He also defended a famous fugitive, Milan Vukas, the owner of the first cafe in Zagreb, who announced himself during his last flight by firing a shot in front of the Palace of Justice. Let us also recall the mysterious murder of the rich woman Sonja Nothig, a nurse with a life story like the "Zivot" [Life] novels, who was found in the Sava tied to a block of stone. He defended a ruthless murderer, the taxi driver Kefcecek, but he also defended in the famous "banker scandal," when tens of carloads of metal disappeared. He also defended an accused flight controller in connection with an accident over Vrbovac. Tihomir Mesarov, unlucky in love, who killed the entire family of

his ill-fated chosen one who had married a Japanese, died just an hour after his lawyer Degen told him that they had succeeded and that his death sentence had been commuted; it was simply that his "heart burst," and he joined his victim. Only one brilliant picture remained, which he had created that morning. Degen is famous for defending Jehovah's Witnesses and prisoners of conscience, and a well-known case of his, the Jehovah's Witness Ivan Cecek, even resulted in a change in the law. There are few people who have succeeded in having a journalist convicted—the one who insulted Momo Kapor in connection with the "Chetnik picnic," even though at that time, that same Momo was already calling himself a "Chetnik novice." He also represented Milan Sarovic when the latter appeared in POLET in all his glory as a goalie. He also successfully concluded the civil proceedings against the new mosque in Zagreb, with a verdict of acquittal; then came the media stars Berber, Pogorelic, and the current issue of his living space, about which all sorts of things are being surmised.... In the Agrokomerc affair as well, he had the prominent case of an accused Canadian citizen, and a similar trial is underway right now in Croatia, against Barbara Besanic in the Vartilen case. He will be remembered for all time, however, because of his defense of the war criminal Andrija Artukovic. He would rather not mention the bloodiest crimes, when blood has gushed forth through the courtroom, when a person has simply been overcome by a fit of violence. He would rather mention a love story, intrigue, and adultery, but challenged listeners still sense that Degen is a man who hides many secrets.

Currently, on top of his desk are documents on Branko Mijic, the killer of a militia officer, who was sentenced to death and was arrested in Italy. He is also defending the Split designer of a wall that collapsed; there is also a brutal murder out of jealousy, when two Albanians, blood brothers, decided to settle accounts because of a woman. The lover's pistol misfired, and the deceived husband cut his "brother's" throat with a scalpel.

Finally, a counterpoint to all the "executioner's songs" is the third tip of Degen's "devil's triangle": the rights of the unborn and protection of the fetus, the cause which he personally seems to care the most about. Women who have to visit the gynecological department of the Josip Kajfes Hospital and Dr Asim Kurjak fairly often will recall that in that department there is also a room with Degen's name on the door. His advocacy of preventing the misuse of fetuses and protecting the unborn from the very beginning has been treated as pioneering work, and today has nevertheless resulted in the initiation of increasingly more serious discussions. He also participated in founding the Ethics Committee, of which he is a member, and he is the head of the Legal Advisory Board of the Medical School's Ultrasound Institute.

He thus performs the role of a defender at the critical points—of both the life that is just beginning, and the life that is faltering or already at its end.

[START] Your role as the defense attorney in big and "bloody" criminal proceedings has always attracted the attention of the press; you are perhaps the Zagreb "shyster" who has been most exploited by the media, and whose movements are followed even by the yellow press. How do you interpret that publicity?

[Degen] As far as the expression "shyster" is concerned, historically it has a completely different meaning from today's meaning, which is ironic and a bit disparaging. Even in Maria Teresa's time, "shysters" were people who defended the poor without charge before the royal courts. In view of my ties with medicine, I really do have many criminal trials in the area of so-called bloody crimes, which still exist among our people, and are interesting to the media. START, for example, is a magazine for the modern man, and I am opposed to the expression "yellow press," because in my opinion, the press today has played an extraordinary role in uncovering numerous taboos, and has even begun to write more openly about the profession of attorney. For a long time it was felt that an appearance by an attorney in the newspapers was self-advertising. The bar association even instituted proceedings if individual statements deviated from the lawyers' code. Schopenhauer, for instance, asserted that the freedom of the press was dependent upon the strictest prohibition against anonymity. Accordingly, a lawyer cannot by any means voice something that is a professional secret, but that does not mean that in connection with some case he cannot comment upon a specific problem—because by doing so, he can only contribute to more open relations in society. It is good that people are finally hearing about that profession, as well as its problems.

[START] How do you perceive your role today?

[Degen] We are a small country with extraordinarily developed averages. We are always willing to criticize someone better. A lawyer is a witness of the times, and a valuable witness, who always stands for a position of legality, with the assumption that someone who judges without evidence will be judged himself. Lawyers, either as defense attorneys or as advocates, changing defense benches and courtrooms throughout all of Yugoslavia in just a few days, from case to case, pass through an entire decade, and leap over centuries.

[START] After the death of Ayatollah Khomeini, is anything changing in the proceedings in which you are representing the Iranian Embassy in Belgrade, and which you are conducting against the president of the Yugoslav Writers' Association, Slobodan Selenic, the journalist who reported his words, and BORBA's chief editor, who allowed that to be published?

[Degen] Nothing has changed. The Iranian Embassy, through my law office, has continued to pursue the case and has filed a complaint, but I am now undertaking to prosecute as if it were conducted by the public prosecutor.

[START] How did it even happen that you were the one whom the Iranian Embassy contacted?

[Degen] Probably because I have dealt with criminal law for many years. In this case, although I am a lawyer, I assumed the role of prosecutor, which by law is also part of our job. Our Criminal Law contains a regulation which applies to a certain type of verbal crime, and which we must obey, and it says that no one has the right to insult the honor and reputation of a foreign head of state, and expose him to derision and contempt by saying that he is mentally deranged, a killer from ambush, and a historic lunatic, and that his order to kill is disgusting.... Democracy means respect for the law. In London's Hyde Park, as the quintessence of Western civilization, you can subject anyone to criticism and derision—except the British queen. But we follow an explicitly peaceful and independent policy, and we will not allow anyone to insult a foreign citizen.

[START] Do you not think that Khomeini's order is terrible?

[Degen] I will not go into the order or its seriousness, but I really think that we must be principled in assessing the prohibition against certain insults. The 17 February 1989 issue of BORBA should have been banned. Likewise, I don't know how long ago, a youth newspaper was banned because of insulting coverage of a foreign citizen, Mobutu. In principle, I am against all bans, but if a law exists, then it should always be applied equally. In this case of Khomeini, the public prosecutor sided with the defendants and did not issue a criminal complaint. On the other hand, every day we are witnesses of how public prosecutors, exercising their discretionary right or arbitrary assessment—a very powerful right, which can also be abused—decide the opposite, and ban newspapers or issue proposals to ban them. Furthermore, one should also think about this from the standpoint of the economic relations that we have with Iran, and they are very good, as you know. After all, Yugoslavia has been entrusted with a highly delicate, but honorable, role on the sensitive Iranian border—one of our generals is the commandant of the UN unit monitoring the ceasefire.

[START] Can you explain what that discretionary right is, and how it was used in this case?

[Degen] The discretionary or arbitrary assessment is the right of the state, which it transfers to its representatives, for example, to the public prosecutor or SUP [Secretariat for Internal Affairs] official, to make a decision in brief proceedings, "because of the public interest, a state secret, security, or disturbance of the citizens" (all of which changes with the prevailing relationships and morality), and simply file a criminal complaint through the public prosecutor. In the case of the insult to the religious and political leader Khomeini, the district prosecutor responded to the complaint from the Iranian Embassy that there were no elements of a criminal act as stipulated by the law. That is why lawyers were left the possibility of continuing the prosecution, so that the

possible guilt of Selenic and the others will finally be determined in court. On the other hand, a state official, in the name of those same interests, decides whether some citizen's travel document will be taken away from him, without even having to give an explanation. In a divorce proceeding, for example, one wife wrote a letter to the regional SUP and stated that her husband wanted to kill her. The husband was also a passionate hunter, which was sufficient reason for a SUP officer to decide to take the right to possess weapons away from that otherwise peaceful, honest, and very decent man, without any explanation. The man had to sell a hunting rifle that he had inherited from his grandfather. Also, I had the case of a young journalist from some youth newspaper, who simply lost the right to an extension of his travel document, also with no explanation, because he had allegedly written negatively about certain acts by the SUP. Administrative bodies simply assess, without explanation, whether someone can possess weapons or whether a passport is to be taken away, and finally, we now have the latest incidents of isolation, which are left completely up to the discretionary, i.e., arbitrary assessment of the police. There are also special censorship boards governed by republic regulations, which ban certain films, again on the basis of an arbitrary assessment—and then they judge whether something is an "insult to morality," or is even "harmful to the upbringing of children." All the cases of banning the dissemination of pornography to date have also depended upon arbitrary assessment, from the one 20 years ago, when the prosecutor banned the sale of little mirrors with scantily clad actresses, until today, when according to the latest rules, completely pornographic magazines are permitted, and they are freely displayed at newstands, wrapped in cellophane. Does paying a tax on trash really imply that it is not necessary to intervene, according to the logic that we pay the price, and then let the harm to the upbringing of children be done? And not so long ago, I represented goalie Milan Sarovic, who was photographed in the nude for POLET, and ended up in court together with that newspaper, for pornography.

[START] Where is the boundary between freedoms and various forms of the protection of society? For example, with your position that BORBA should have been banned, you are also supporting the possibility of banning the press.

[Degen] We have to respect laws in order to be free. The application of the law is very essential: In a law-governed state, the law is applied equally to everyone. Arbitrary assessments are considered mainly a specialty of the countries of "real socialism," in which the power of the administration is unlimited. They exist in both the West and the East, however, wherever the bureaucracy wants to protect its interests. The United States, as a country in which democracy is very highly developed, has an eternal conflict between the state and the individual. The so-called Anglo-Saxon system of justice exists there; the police are very strong, but personal freedoms also exist. If they are violated, there is a very well-developed system

of public opinion, where the press makes public everything private, in order to protect what is personal. Human freedoms are violated, of course, even though they are guaranteed, but public opinion, the courts, and the jury system really serve the function of protecting the individual. I do not think that there are no abuses, but they are reduced to a minimum. If you take our diplomatic representative Bijedic, for example, then it is quite clear how much of a role in that case was played by the press and the lawyers who pointed out the fabrication that someone was trying to pass off.

[START] In our legal system, there are probably still characteristics indicating that it is not the most democratic.

[Degen] Let us just look at the unequal position of the participants in criminal proceedings. For years now, lawyers have been pointing out the problem of detention and so-called disturbance of the public, which is often interpreted incorrectly or abused. Absolutely no one reacts to that, however. The defendant is kept in jail, because, allegedly, the public has been disturbed, although there are no objective criteria for that, much less criteria that would prescribe what "disturbance of the public is." Our legislation also includes the institution of bail, or a guarantee, which means that the court simply determines that until the conclusion of the criminal proceedings, the defendant can conduct his defense while free, if he pays a certain amount of money. The institution of bail actually was provided for in our criminal proceedings in order to make the trial faster and more efficient, so that the defendant would not be kept in jail, but would deposit money and defend himself while free. If he does not come to the hearing, the money is taken away from him. Clearly he may flee, but it is likewise clear that a poor man, even if he is innocent, will sit in jail until there is a valid judgment, because he is not able to pay for his freedom.

[START] Are there certain "price categories" for that bail, or are they determined by rough estimate?

[Degen] Here is a good example—the issue of bail is also left up to some arbitrary assessment. The institution of bail was introduced in order to ensure that the defendant would be present at the hearings. For example, I defended the Canadian citizen Husein Melkic, who actually spent a year in jail without any reason, on charges that he had robbed Agrokomerc, together with Fikret Abdic, by selling his goods (soybeans) as a middleman at a higher price than on the world market. Who else has heard of that? The entire world press, especially the Canadian press, attacked our judicial system, because how can it be a crime for a merchant to want a profit, or to earn one? But let us leave aside for a time the qualification of whether it was possible to try him at all. The fact is that he was behind bars because the Yugoslav public was "terribly disturbed," since he had sold the soybeans bought in Canada at a higher price. When he voluntarily came to Yugoslavia, then, under that famous point, he was deprived of his freedom for a year. After a

year, however, the court agreed to bail, i.e., the "public" was no longer "disturbed." Henry Melkic, or Husein, also known as Husko, was summoned even during the investigative procedure, and was told that if he deposited \$400,000, he would be allowed to conduct his defense while free. Then \$200,000 was requested, and then \$100,000, and then at the main hearing the Bihac public prosecutor asked for \$50,000. Melkic was stubborn, however, and languished in prison; he finally agreed to a much smaller amount, but that money was supposed to be paid directly in Bihac, at a bank that was completely insolvent. He was finally released, and went quite legally to Canada; his trial is now being conducted in his absence. The delivery of court decisions is also a particular problem. The period for an appeal of those decisions does not run from the moment when the appeal is delivered to the defense attorney, who is a qualified and professional individual, but instead the decision affecting the person's freedom and rights is delivered to the defendants—either by mail, or directly to the person sentenced—and the period for the appeal starts then. But the parties are very often ignorant, illiterate, psychopathic individuals, and if they do not have contact in jail with their defense attorney, serious abuses and open violations of the right to defense take place. You will recall just the case, reported in detail by START, when two deaf and dumb people, living on the fringes of society, were accused of killing a deaf and dumb prostitute. And what happens when they receive the sentence, and not their attorneys? Let us say, whatever happens, that they may be late in appealing. The situation is also very unfavorable for defendants who are brought before the investigating judge Friday evening, for example. He decides to jail them, and the deadline for appealing is 3 days, but over the weekend there is no way for them to reach a lawyer, and so their deadline expires. And they are, more or less, ignorant. Let us just recall the striking figures on illiteracy in Yugoslavia; and we know that participants in criminal acts fit precisely into that category. For years now, both through the bar association and personally, I have been fighting to change such regulations, because serious abuses can occur, but the highest authorities have "resolved" all of our protests in the negative—by claiming that it is not against the constitution.

[START] Recently there has been discussion of the inequality of Yugoslav citizens in the application of sentencing policy.

[Degen] Sentencing policy is linked with the principle of legality and the individualization of the sentence. It is an extraordinarily complex problem, which no one in our country has clearly defined yet, and we do not even know how that sentencing policy is created. If it is a matter for the now increasingly mentioned institution of "coordination," then I, as a lawyer, do not recognize that institution. The Law on Criminal Procedure is in force throughout all of Yugoslavia, whereas we have eight criminal codes—so that there are even different crimes in different parts of Yugoslavia. In Slovenia, for

example, a husband can be charged if he has used force to compel his wife to engage in intercourse. On the other hand, there are drastic cases in Kosovo, where there is a shameful law on rape on an ethnic basis. I do not have to explain at all how unequal the position of any Yugoslav is in the application of the above-mentioned sentencing policy. If you commit some crime in Bosnia-Herzegovina (traffic, economic, a misdemeanor, or some other crime), the sentence will be drastically heavier, regardless of whether you are a Slovene or a citizen of that republic. I think that actually, many crimes should be treated as misdemeanors; this would reduce the burden on the courts and make them more efficient. Sentencing policy is completely different. It means that in the territory of one republic, the supreme courts should create a sentencing policy, without having everything depend on the individual case, the individual court, or even the judge. A third problem is the way in which the sentence is served. According to our law, it is served in accordance with the defendant's place of residence. A worker from Bosnia temporarily employed in Slovenia is held responsible for raping his wife in Slovenia, but serves the sentence in Bosnia-Herzegovina. The examples can be even more drastic, however. We all perceived this personally when a Danish citizen was convicted of a traffic crime. Even the victims, the injured parties, requested that he be pardoned for what he did on a Serbian road. The tourist arrangements were cancelled, and now negotiations are being conducted with the Danes on having the convict serve the sentence in his homeland. Or, if you want something even more drastic, if an Albanian residing in Zagreb rapes an Orthodox woman in Pristina, he will be tried under the law on rape on an ethnic basis for a crime that does not exist in Croatia, but he will serve the sentence, for instance, in Lepoglava.

[START] We learned about some legal blunders for the first time in the case of the aircraft accident above Vrbovac, when you defended the flight controller. Has anything changed since then?

[Degen] After the aircraft accident above Vrbovac, near Zagreb, the flight controller, a state official, was accused of having caused, by negligent judgement, the collision of two aircraft in which more than 170 people died. The entire world public and press noted that legal precedent as a clumsy and extremely severe step on the part of our prosecuting authorities. No state indicts its own state official, because then it is responsible for the damage itself. The whole case was a big mistake for the judicial system, because it was a typical "case" in criminal law. Our judicial system assumed the risk of condemnation by the entire world public, but also the risk of compensation for the damage (because we had a culprit), which would otherwise be paid by the foreign insurer Lloyd. Finally, the trial was resumed, Gradimir Tasic, the flight controller, was freed, and our state did not pay the damages, but there remained the question of a legal blunder and many unclarified dilemmas, which I classify



under the basic question: What are the interests of the individual, and what are the interests of the state?

[START] In the case of that accident, an apparently unusual problem appeared: How many casualties were there in it?

[Degen] As a lawyer, I have dealt for an entire decade now with the problem of the moment when life begins. The question of how many victims ("individuals") died in that accident has not been cleared up. On the basis of photographs, it has been determined that one Englishwoman gave birth in the air. Her child, still connected by the umbilical cord, fell in a village yard. Legally, it was not considered one more victim, because the legal protection of the individual begins when a child cries out, or starts to breathe. A child in the mother's womb, even in the ninth month, is considered an organ of the mother. I am personally opposed to such a concept of life, and for years I have been advocating a change in the regulations.

[START] On one occasion, however, you stated that the Yugoslav criminal procedure was the most progressive in Europe.

[Degen] The criminal procedure in any case is modern and progressive, but I cannot state now that it is the most progressive in Europe. As a defense attorney, however, it is clear to me that it is often bypassed. For instance, whatever the perpetrator of a crime says to the police authorities does not have the force of evidence, and it is removed from the record. Only what we state before an investigating judge has the force of evidence. Consequently, we "do not believe" our policemen. In the United States, a police officer usually warns the defendant that "anything that you say from this point can be used against you," but he also has the right to call a lawyer immediately, which does not exist here. A defense attorney only appears before the investigating judge. The law, however, is often bypassed because of the great powers of the police authorities. It is sufficient for us just to mention isolation, or even an entire series of unjustified misdemeanor proceedings for "vagrancy," when they can arrest someone immediately after they release him. It also happens that the investigating judge simply does not strike out what the defendant has said, perhaps even while being beaten, in front of an SUP interrogator. Unfortunately, in this country we have been politically committed for years to communism, which fulfills so-called historical laws, and so it has been felt that national laws are only platitudes.

[START] Are you a member of the LC [League of Communists]?

[Degen] I am; I was raised in that spirit, and I do not want to throw away my membership card out of pure obstinacy. After all, the theoreticians of "my idea" thought that communism would begin in the developed world. What do you think—perhaps the bad defenders of the Winter Palace are responsible for everything?

[START] In view of your "communist" idea, what is your role as a defense attorney like, as a member of the party in power? From what position do you conduct the defense?

[Degen] There is no dilemma there at all; a judge judges according to the law, and should also defend the existing legal norms, which, obviously, are adopted to suit society and the system in power. A lawyer never defends a crime; he defends a person as an individual. Admittedly, I participate in the pathology of society, but I am also the alter ego of my client, although I can never identify myself with him. That is why it is hardest to defend a friend. Looking at things formally, a lawyer is a catalyst in the relationship between the prosecution and the police, on one side, and the court, on the other. And it is all in the interest of the client. A lawyer does not make a decision, except for moral decisions, and so it is completely immaterial to him whether he is a member of the party in power. That is important with respect to the election and reappointment of judges, or even the appointment and reappointment of prosecutors, while for the police, so-called moral suitability is what the system has specified. It is logical for judges to be under moral and political pressures, but there should be no dilemma there either if one judges in accordance with the law.

[START] Consequently, with respect to the independence of judges, the main question would be: How can a judge, as a member of the LC, adhering to the ruling model in the party, i.e. democratic centralism, think and pass sentence at all differently from the prosecutor, who is a member of that same party? Where is the client you are defending here?

[Degen] The basic idea for all of us is that we work according to the law and that the law should be respected. If we protect individual rights and if we are equal before the law, then there is no problem. Unfortunately, in a one-party system judges are subject to reappointment, in contrast to the opstina bureaucracy and even the police. In the final analysis, the concept of the political suitability of judges, and in any case their reappointment, depends on the bureaucracy, and moreover the party bureaucracy. Here is the problem of separating the judicial system from the state. In the Kladusa trial, in which an economic system was on trial, the defense attorneys requested the exclusion of the judge and the public prosecutor because they were members of the Bosnia-Herzegovina LC, and thus subject to the decisions of the highest party forums. Such an exclusion was not accepted, and it is therefore obvious that defense attorneys are always worried about politicization, and even everyday politics, because then the individual and his individual rights are neglected. For the sake of illustration, I will also cite a person in Croatia who is a counterpart to Abdic: It is Barbara Besanic from Varazdin in the Vartilen scandal. That was decided by politics. But an economic system, or the system in general, cannot be tried; we can only make judgments about it. Now we have the latest example, in which the



workers of Velika Kladusa are filing a criminal complaint against the former highest officials, at the federal, republic, and opstina levels.

[START] Then in such a politicized trial, where is the client you are representing?

[Degen] In prison.

[START] In your opinion, what should be done, at least as the first step, to restore the judges' independence and their dangerously tottering dignity?

[Degen] It is not true that judges no longer have dignity. Of course, it is an extremely honorable position, but unfortunately, the state does not have dignity. Naturally, a great deal also depends on the judge himself, but many people are wondering, above all, whether we live in a law-governed state.

[START] Then why do we notice more and more often today that judges, even the highest judges, well-known names, have "fled" to practicing law? Is it "more dignified" today to be a lawyer than to be a judge? Or is it all a matter of politics again, or is it possibly more profitable to be a lawyer?

[Degen] I think that it is not a matter of politics, although actually, everything is politics. Even Franz Jozef and Maria Teresa paid the most to teachers, doctors, the police, and judges, in order to preserve a strong state. Today we have the opposite situation; this very responsible position is poorly paid, and it is logical that judges are leaving to practice law. Complete equality could be achieved only if the best lawyers could be judges and vice versa without interference, without the concept of moral and political suitability; in practice, that has been impossible so far. In contrast to the present procedure, judges should be elected for life, with the possibility of a recall. As an inveterate optimist, however, I still think that there are no bad times, but just as everywhere, there are only bad people. And if there were no bad people, good lawyers would not exist either.

[START] A real quarrel between journalists and lawyers took place recently on the pages of NEDELJNA DALMACIJA in connection with the Vllasi trial. Without going into details, I only know that a little while ago the lawyer Olujic was condemned professionally for speaking out like that, on the grounds of self-advertising.

[Degen] The Croatian bar association has a code, i.e. rules on the profession, just as doctors and others do. That code has been very strict, but 2 years ago it was moderated, at the initiative of the bar association. Meetings with the public media were organized, and certain conclusions were reached on all this. I think that the statement by my colleague Olujic was by no means self-advertising, rather it was his individual right, which, in the final analysis, leads to the democratization of society. Being a lawyer is a public position, and certainly my colleague had authorization from his client to react in that way. He is, accordingly, not identifying himself

with his client. I will not get into polemics, but I would like to remind you that the public prosecutor also exercised his right to a press conference, and the TANJUG agency also carried the official bulletins; the public needs objective reporting. In any case, I am personally very strongly opposed to commentaries and verdicts in advance. I am also opposed to political officials issuing verdicts in advance.

[START] In Croatia, politicians and sociopolitical organizations have actually issued their verdicts in connection with the events in Knin. Some criminal proceedings have also been instituted against the troublemakers. Have any of them contacted you about defending him?

[Degen] At the same time, I have defended Andrija Artukovic, and I have represented Momo Kapor and numerous verbal and political "delinquents." Clearly, if someone contacted me, I would also defend the people in Knin. That is my duty, and I would not have the right to refuse a defense, regardless of my personal beliefs. The lack of identification in our society, however, has resulted in the phenomenon of a completely distorted morality. I now already feel old enough to start thinking about today's youth as a generation which does not have anything or anyone to identify with. The biggest problem in everyday politics (it is also apparent in the press) consists of ignorance of the facts.

[START] You are a bitter opponent of the death penalty.

[Degen] It is simply unbelievable that in this country the death penalty can be decreed for an act committed out of negligence. I would not like to dwell on different examples at all, but it is undeniable that we are only now talking more seriously about abolishing the death penalty. In Yugoslav criminal legislation, the death penalty is prescribed for 44 crimes, according to some people, and 46, according to others. The fact is that the vast majority of the countries representing Western and Central European culture have abolished or are abolishing the death penalty. Even Hungary recently abolished the death penalty for verbal crimes. It is frightening that one's life can be taken away even for attempted crimes, with such a penalty stipulated for a large number of political crimes. Both because of my position, and as a humanist, I am opposed to the death penalty, but if someone managed to convince me of the "infallibility of judges," I would become a champion of it at that moment. All of this can be seen in Abdic's case: On the basis of a completely senseless indictment, under Article 114 of the Yugoslav Criminal Code, the judge can also pronounce the death penalty against him....

[START] It seems that the "time factor" has become extremely important in our legislation on so-called political and economic crimes. For something that could have merited the death penalty until recently, today it seems as if there are no longer even grounds for a trial. What is going on?

[Degen] How will the trial in Bihac be conducted in the name of the people now? In the name of which people?

The one that is now suing the highest leaders of the system, and demanding that Abdic be returned to his job, continuing to see him as a savior, while on the other hand the prosecution feels that he has committed a crime for which the death penalty is prescribed? Such an indictment is thus absurd, and he can only be tried for his "subjective attitude" toward the regulations. I think that political and economic crimes (Article 114 of the Criminal Code) and even the verbal crime should be deleted from criminal legislation. The democratization of society is also creating more liberal laws, which cannot be a matter for everyday politics. We have not changed the laws, and we still have the death penalty, and now some people are still serving their "just sentence" for verbal crimes, a sentence passed "in the name of the people"....

[START] In the 20 years that you have been practicing law, you have been present when who knows how many death sentences were pronounced. As a defense attorney, were you also present when they were carried out?

[Degen] I do not want to answer that directly. I am ashamed as a human being that such a penalty exists in this country. In any case, a lawyer is not obliged to attend executions. It all reminds me of Taras Bulba, who cut off his son's head, because "I gave you life, and so I can also take it away."

[START] All right, but perhaps you can still tell us how the death penalty is carried out in our country....

[Degen] The fact is that the death penalty is very rarely carried out in Yugoslavia, and that lawyers, many individually, and especially through the bar association, have tried to prove the inappropriateness and inhumanity of the death penalty. The way in which it is carried out is specified by separate republic regulations. You have a firing squad, 12 people with blanks and real ammunition.... The sentence is usually carried out early in the morning.

[START] Every day, you are in the company of psychopaths, moral deviants, and people with bloody hands. Do they influence the human nature of a defense attorney?

[Degen] I really do meet people on the fringes of society, but would you ask a doctor treating a psychopath or an acute schizophrenic if that left traces on him, whether he had gone insane in the meantime, or deviated even a little? People usually walk into a lawyer's office with the slogan of "give my trouble to somebody else," and if we may joke, the hardest thing for me as a defense attorney is convincing the client that he is guilty, and the court that he is not guilty. Naturally, I do not identify myself with the client, but instead protect him from legal errors. The death penalty has been pronounced for crimes committed by sick people, psychopathic individuals, alcoholics, and people on the bottom. In such cases, the view that the poor do not have to be prophets—their fate is known—comes home to me. They can only die in two ways, Sartre would say: Those who are reconciled to their fate die of hunger, and those who are not reconciled are

hanged. With most crimes for which the death penalty can be pronounced, the behavior of the defendant is evaluated by court psychiatrists. Today justice is really being decided more and more by technicians, experts, and doctors.

[START] One of your recent cases involved the controversial death penalty that was pronounced against 21-year-old Branko Mijic for killing a militia officer. Italy, however, does not want to send the fugitive killer back, because he has been sentenced to a penalty that has been abolished in Italy.

[Degen] That is only one more proof that if we want to join Europe, we have to abolish the death penalty. Mijic will have a dual trial—he will be tried in both Zagreb and Milan. Whereas he is receiving the death penalty in Zagreb, he may even be acquitted of the same crime in Milan.

[START] Who are our court experts, and what are they like?

[Degen] The institution of expert testimony, unfortunately, is not applied equally to all participants in criminal proceedings. It is usually entrusted to private experts, because expert testimony is usually not institutionalized, and if it is, then there is still an unbelievable possibility of abuse. Provincial courts usually do not have court experts, and do not even have the funds to pay them. Defendants are then forced either to borrow money for an expert, or to sit in investigative jails until they are indicted, or even to have hearings conducted without a necessary expert, etc. In contrast to Anglo-Saxon law, in which one of the basic principles is that it is first necessary to prove a crime, and only then make an accusation, in our country we are frequently in the situation of trying to prove that we are innocent, with the suspect (or defendant) spending the entire duration of the proceedings in jail. Logically, the experts are not responsible for this; they are professionals in their work, but the differences in quality among them are so great that there is also an institution of super-expert testimony. It is particularly important that judges recognize expert testimony from the Institute for Criminal Expert Testimony, which is a SUP body, and at the same time the submitter of a criminal complaint. It cannot be said that these bodies are not sufficiently competent or professional, or that they misuse their expert testimony, but the very possibility of someone both prosecuting you and trying you raises dilemmas concerning the institution of expert testimony.

That is the case in criminal procedure. But let us take equitable compensation, for example. I am just celebrating the 20th anniversary of my unsuccessful attempts to enforce equitable compensation for Rijeka resident Kretic-Dragin for the fact that in 1969, administrative authorities destroyed his house without compensation for the damage. My client filed suit against the opstina, which "in society's interest" built a house in

that same spot, in which the grandchildren of the well-known "local big shots" of that time are now already residing. That building is derisively called "Haludovo II." The court is simply not ending the proceedings. Judges replace each other, their suitability for reappointment is investigated, and the owner of the destroyed building and his heirs are still waiting for equitable compensation. That is already enough for you to doubt whether judges can judge independently, or at least to doubt whether so-called equitable compensation will be awarded at the expense of the opstina.

[START] Does the employment of a defense attorney depend sometimes on the financial compensation that he can get from some case? In his response to your colleague Olujic, A. Tijanac used an admittedly superficial but nevertheless effective joke that Olujic was defending Villasi for money, and "that in this state lawyers do not share the fate of those they are defending, while that can still happen to journalists."

[Degen] A lawyer and an attorney work at lawyers' rates, and it is logical for them to seek the money that belongs to them for their services. I assure you, however, that the vast majority of lawyers, especially in big trials, conduct the defense because of the professional challenge, and for much less than the actual real value. The Croatian bar association has even taken the position that free legal assistance should be offered citizens with little financial means, and I do not have to recount for you the numerous friends and acquaintances who contact us every day and whom we have never charged a dinar. Financial compensation is an incentive, of course, but by no means a motive. As far as Tijanac's joke is concerned, it is perhaps effective in journalism, but it shows that he has no concept of the basis of law and the concept of a law-governed state, which I assume he also supports. A lawyer's job, in fact, is by no means to identify himself with his client or to share his fate. Then, by analogy, the prosecutor and the judge should both share the fate of their "client"—the party.

[START] Is it true that in a law practice the money comes from many small cases, but the big ones are for fame?

[Degen] To some extent. But there is also the institution of public defender, when the state bears the costs of the defense. The professional challenge is a much bigger motive, as it is for you journalists, after all, and there is also professional curiosity. May I ask you now what sort of money you work for?

[START] For about 250 Deutschmarks a month, for, let us say, the 200 typed cards from this interview, because we have prepared several versions, of course. If I invited you to have a drink for this you would answer with the usual joke "No, thanks, I charged enough today." I would rather ask you, then, whether you would represent me without charge?

[Degen] Against the state—always!

[START] You are known for your bitter clashes with court experts, especially during the trial of war criminal Andrija Artukovic, when you opposed the assessment that he was capable of standing trial, in view of his age.

[Degen] In almost all of my cases when a death sentence has been pronounced, the final decision was made by doctors (psychiatrists). If a psychiatrist has said that a multiple killer is not mentally competent, i.e., insane, he has actually judged him as an expert and "given life" to the defendant, or extended it, probably, in some mental hospital. Psychiatrists also played a unique role in the Artukovic case. Large countries like France have never tried the murderer of Lyon, Barbieu, because he is not capable of standing trial. Artukovic also showed signs of the same disease (Alzheimer's). The experts claimed that he was capable of participating in the criminal proceedings, and that he was not sick, but only senile. They asserted that all the way up to the end of the trial, and then, when the death penalty was supposed to be carried out, according to the findings of those same experts, Andrija Artukovic "became permanently and mentally ill," and thus died a natural death. When my colleagues Olujic, Popovic, and I defended this case, some journalists wrote that one could also see our political orientation from our speeches ("bourgeois," "hostile," and even "pro-Ustasa"), but no one noticed that those same doctors (the court experts), doing their duty, were now fighting for the life of the one who had been sentenced to death.

[START] It has been said that you are writing a book about your professional challenges?

[Degen] In the Soviet Union they say that if you write one book, you have to betray two friends. Too little time has passed, however, for me to be able to write about the intimate dramas of my clients, but if I ever did, then it would be linked to extracts from the press and accompanied by a review of everyday politics for a defense attorney as an eyewitness of the times. But then I would certainly use the services of a journalist to help me be more objective.

[START] It seems that your true promotion among the public at large as a "crime specialist" began with the so-called Bjelovar case. That had to do with the murder of nurse Sonja Nothig. That was the first time that all of Yugoslavia followed a trial that in the end was so politicized that a belief that the verdict was illogical still prevails today.

[Degen] Today I am almost certain that it was, perhaps, the most difficult case that I have defended. That was the first time in our country that all the daily newspaper attended as the public, although the hearing should have been declared secret from the start. In the end, the murder remained unclarified, because the verdict was reached on the basis of the evidence. One of the accomplices in the murder was acquitted, on the basis of inconclusive evidence—I am talking about the SUP's chief official for violent crimes, who was accused of

murder—while the other accomplice, i.e., Sonja Nothig's lover, was pronounced guilty on the basis of that same evidence and sentenced to 20 years in prison. In a well-ordered society the good serve as a model, and the evil as an example. In this case, what was most intriguing was precisely the milieu in which the crime was committed. We always think that murders are committed by psychopaths and the poor. Here, for the first time, the murder took place in the high society of rich people, and all segments of society were involved in it, from the doctor to the corrupt police; lovers, sex, deceit, gold, profiteering, etc. One day a book will be written about that case, perhaps the one you were mentioning.

[START] What is the function of the jury in court proceedings today, and has it changed during the times you have witnessed?

[Degen] For 20 years now I have been observing the institution of the jury, which, even in the face of such legal blunders as the Nothig case, has drowsed without interest on its benches, or has been recruited according to the criteria of the local community. Fortunately, the institution of the jury, as well as the jurors' involvement in the decision on a human fate, is not decisive. In this phase of the evolution of society, however, I think that it should undergo changes. There has been no analysis of the jury as an institution, but it can be reliably stated that the jury is no longer a representative of society by any means, and does not represent all of society's structures. The jury delays the proceedings, and the so-called jurors on duty, recruited from housewives and retirees, cannot follow court proceedings equally. The Croatian bar association has recently been actively monitoring these problems, scientific meetings and conferences have been organized, and an important survey has just been initiated, so that lawyers can show that they can also be useful proponents of a public function with precise initiatives.

[START] Let us go back to the beginning of your career as a lawyer. Your breakthrough began with mediating in the sale of our players abroad and representing the Dinamo club. Today, it seems to me, not one soccer scandal has matched the political ones, and even 10 soccer scandals, even the Sajber case, could not ensure you the publicity now attained, for example, by those defending Azem Vllasi, MLADINA, or...

[Degen] Before I became a lawyer I was an active athlete, and then a sports employee; I learned how to win and lose. In spite of that, during all that time I did not find justifications and answers to the basic lack of this society—the hybrid nature of social relations. Seeing that hybrid nature, society began for the first time to open up and reveal itself, in high-level sports. Then for the first time the press also played its real role: professional soccer players who are not, politicians who are not professionals, workers who are not proletarians, peasants who are not workers, and vice versa—all of that created a hybrid social structure with newly composed music as a hymn.

[START] Thus, having become a lawyer, you first began to defend the profession that you knew best. You "sold" players at that time?

[Degen] I remember the trade in athletes well. I remember Slavisa Zungul, whom I sold, unfortunately as a "commodity," in New York. Hajduk, whose president at that time was Tito Kirigin, felt on behalf of the sociopolitical organizations in the club that Zungul did not have the right to work, i.e., to play minor-league soccer in New York. Zungul moved legally to New York, became acquainted there with a beautiful actress and singer of Jewish origin, Olivia Newton-John, and left "our" Moni Kovacic, whom the older readers of START know well. He caused a scandal, and finally played popular minor-league soccer for the White Arrows. Hajduk had lost its top scorer, and the Yugoslav National Army a soldier, and the head of the court in New York (because courts of associated labor do not exist there) ruled with one blow of his gavel that he could play minor-league soccer in the United States, but he could not play major-league soccer. An opposite case of legal entanglements of the Yugoslav type is the case of Deveric, who moved from Dinamo to Hajduk, and proved that "major-league soccer" is a mirror image of society, in which vague regulations leave the individual unprotected. The entire Yugoslav press followed the skirmish between the clubs, as if laws on obligatory relations and contracts did not exist.... That only proves that it was perhaps in sports that the dossier was first opened on the hybrid nature of relations in society. From the start, it was less dangerous, and only possible for journalists to expose the sickness of society, using the example of sports as a caricature of the true negative characteristics of society. For the first time, individuals who were the champions of social morality (we are speaking of certain local politicians, of course), were exposed as involved in fixing matches and similar misdeeds. The biggest problem of everyday politics is the way that it ignores the facts, and it seems to me today that it has never been easier for me to perform the duty entrusted to me, but on the other hand, it is almost impossible for me to determine reliably what it consists of.

#### **'Neobolshevism' in Serbian Political Reform Document**

90EB0008B Zagreb START in Serbo-Croatian No 537  
19 Aug 89 pp 29-30

[Article by Rastko Mocnik: "Milosevic in Kardelj's Clothes"]

[Text] The document from the Serbian Presidency's commission on reforming the political system is a political move, and that is how we must interpret it. Two things are important about a political move: the fact that it is a move, an act, and what its "content" is. Today we pay less attention to the first, quite tautological point (that at a certain moment someone goes out onto the political stage), although it is usually decisive; the old

political thinking, as far as this is concerned, was more penetrating when it saw in politics, above all, the knack of the right moment. We would be too moralistic, and even limited, if we wanted to forget that politics is the art of opportunism.

In first place, then, are the timing of the move and the place it came from.

At the present moment, the move makes three things possible: 1) it ensures an advantage in the conflict over the future Yugoslav constitution, because it determines the area or at least the starting point of the discussion; 2) it takes away the "Slovenes" monopoly on democracy; and 3) it improves the image of the present regime in Serbia.

As far as the first and most important point is concerned, we would venture to assume that the stroke has been successful.

The second goal was not difficult to achieve, since the Yugoslav dimensions of the democratic initiatives from Slovenia are in any case mostly a media myth: Since Tone Anderlic left the leadership of the Slovene Socialist Youth Alliance, there has not been any democratic initiative worthy of mention originating from Slovenia. The republic regimes' monopoly on "federal policy," against which that document otherwise thunders, brings its authors inestimable benefit precisely on that point; to the extent that the present regime in Slovenia keeps its strength in the (unsuccessful) struggle against "domestic" democracy, it collaborates successfully with the nationwide reaction in ghettoizing and breaking up the Yugoslav democratic format. It obviously has neither the strength nor the interest to launch any such initiative itself. Since it decided at the beginning of the current constitutional reforms to defend the 1974 constitution, it has been too discredited; as far as its passiveness on "technocratic" issues is concerned, we can even assume that it does not see any benefit for itself in a Yugoslav initiative either. Its hypocrisy during the violations of the constitution in Kosovo, its cowardly behavior in connection with the trial of the group of four, and its typical defense of the overthrown regime in Montenegro prove its orientation convincingly enough.

The third obviously will not be of any use on the international level, and for the Yugoslav scene it will be necessary to show much more.

In view of the monist scheme of the present system, those in power can choose the place from which their ideas will be launched. For the document we are discussing, the choice of the place of publication was influenced by pragmatic considerations, and is formally in accordance with its sympathetic contents: It is not a party document (that tactic is out, and in the best of cases would only come under fire in the federal LC [League of Communists]), nor is it a SAWP [Socialist Alliance of Working People] document (the favorite affectation of the Slovene neobolsheviks, for instance), but rather a state document, or, more precisely, the

product of an expert body subordinate to a state body. That status ensures it the maximum authority with the minimum authoritarianism, opens up maximum room for future maneuvers, and obligates other factors in the debate to react to it. No more could have been done to ensure the main effects of the move (this applies to the first point cited).

The move is thus worthy of admiration with respect to its "artistic" side. Less splendid, however, is its content, in which the explicit and clear statements are not as important as the gray areas.

The clear and explicit statements are not surprising:

1. Human rights, civil rights, direct elections, general political representation, the freedom of association, an independent judicial system, etc. Today no one can afford not to take those areas into consideration. At least that is an unquestioned success for the democratic struggles in Yugoslavia. The document goes a step further than the previous "official" positions, when it specifically demands the abolition of the sociopolitical councils in the assemblies, the committees for nationwide defense and the sociopolitical communities, and the cadre coordination bodies. It is significant, however, that it does not contain a word about oversight over the repressive state apparatus—the police and the army. This creates the first dilemmas about the democratic nature of the document, but there will be more such dilemmas.

2. Sovereignty of the federal state as opposed to the original sovereignty of the republic states. In view of the author of the document, that is an expected detail. Specifically, it gives them a certain advantage in specifying the statements from the first group: While the "federalists" can easily deduce the general political scheme from the abstract citizen, and—as the document explicitly states—from the sovereignty of the people, the concepts that have been proposed to date in support of the sovereignty of the republic are actually narrower concepts of the national state, and their basic idea is a mystical hybrid: the "sovereignty of the nation." The federalist concept is therefore not only purer and more intellectually satisfying; it also particularly consistently takes into account the original democratic principles, among which one of the fundamental ones is that a citizen's status is not linked to any special stipulations (property, race, sex, religion, etc., or national identity either). Of course, that is why it is harder to conceal such undemocratic dregs within the framework of such a concept; they accumulate in the gray areas of the document.

Admittedly, the gray areas are in the places where we in Yugoslavia have become accustomed to them, but in this document they have a symptomatic effect:

1. The paired phrase "citizens and producers," a leftover from bolshevist industrialism. The proposal for introducing a "council of labor" in the assemblies is derived from it. By basing the political system on the "citizen

and producer," the document is deserting its democratic slogans. That is why a sort of census has to be introduced for representation in the "council of labor": The council would represent workers "according to the principle of the functional representation of different areas of labor with the secondary application of the criteria of the number of workers and their share in earned income." In addition to ideological limitation, the proposal also expresses social demagoguery, because independent trade unions usually take better care of "labor law." We could seek the meaning of that idea both in a desire to localize conflicts between workers and "management" [in English in original] and have them regulated by the state, and also, perhaps, in a desire to make it possible for the managerial stratum to have direct access to the state authority. That is a solution which has in any case already been tried in domestic constitutional history (the former "councils of producers")—and abandoned. If it were now introduced again, that would certainly be proof that one cannot break away from the (Kardeljist, neobolshevist) past; it would thus, in fact, nationalize areas which obviously can be regulated much more successfully within the framework of the classic bourgeois democratic state. Although the classic bourgeois solution is not the best either, its advantage is that in it, the problem is posed in exactly the opposite way from the "self-managing" one. Specifically, in it, the attempt is made to limit and reduce as much as possible the influence of the corporation upon the state and its decisions. In Yugoslav conditions, the "council of labor" would preserve the greatest evil of the present system—the "contractual economy."

2. Kardelj's original concept of political pluralism. Pluralism in that sense is not derived from the openness in principle of political life, freedom of thought, and association, the principle of parliamentarism, etc., but rather from a sociological formula according to which the political system would maintain, in an appropriate manner, "the existing differences in interests and needs." That is also a general neobolshevist position. When the Polish Communists lost the elections, their first reaction was: "The results, admittedly, express the views of the citizens as individuals, but the question is whether they reflect the mood of society as a whole."

That is a totalitarian position, because it assumes an echelon from which one can "objectively" encompass "society as a whole" and say what those objectively different interests and needs are, and what the real mood of society as a whole is. That is the origin of the hedging about "nonparty pluralism" and other acrobatics that have been performed recently by the antidemocratic forces in Yugoslavia.

3. Various concealed totalitarian ideas about the position of the SAWP are derived from the above. In this document as well, it remains the last line of defense, and the last mask for party monism. The SAWP is conceived here as well as a shock absorber that protects the existing power relationships from citizens' self-organization. In connection with this, it is particularly symptomatic that the document talks first of all about the already existing political organizations (these would "achieve full autonomy," and "cease to be an instrument and intermediary for the LC"), but it marginalizes the new citizens' organizations and paternalistically restricts in advance their role on the political scene ("various associations and alliances of citizens, in view of their nature, are included in the organization and activities of the SAWP," which is a true "Slovene" reactionary formula!)

The type of problems covered by the document is unbelievably reminiscent of the ones that the anti-democratic forces imposed in the discussions on changes to the Slovene constitution. The solutions are, too. It is surprising how many of those obviously compromise solutions have been gathered by the document from the Kardeljist past of the party ideology and political systems.

We can, therefore, conclude the following: Just as in Slovenia, Czechoslovakia, and the Soviet Union, internal factional struggles among communists are still decisive for events on the political scene in Serbia as well; those struggles cannot lead to fundamental innovations; we must therefore seek the solutions that will pull us out of the present collapse somewhere else; and we must still fight for conditions in which those solutions can even appear on the public political scene.

The Serbian Presidency's document thus warns us again how necessary it is to form a Yugoslav democratic front.

## GERMAN DEMOCRATIC REPUBLIC

### Security Organs Still Viewed As Reliable

90EG0024A Frankfurt/Main FRANKFURTER  
ALLGEMEINE in German 6 Oct 89 No 232 p 4

[Article by Peter Jochen Winters: "The GDR Can Rely on Its Police—Security Organs Still Intact"]

[Text] Berlin, 5 Oct—One may speculate these days about how weak the SED [Socialist Unity Party of Germany] leadership is, how it has its back against the wall and how it may possibly be overwhelmed by events. With reference to the now-emerging groups, which are critical of the regime and attract many followers, one can note correctly that today many people in the GDR are no longer afraid to speak their minds openly and also willing to demonstrate publicly for reforms. However, one must not forget that the GDR security organs—the police, State Security Service, and the armed industrial militia groups—now as before remain intact as efficient domestic political instruments of party and state. There can be no doubt that the SED Politburo can fully rely on these forces. They stand ready to execute any order of the party leadership.

These days, close to the GDR's 40th anniversary, the "capital" of the second German state is firmly controlled by the security organs. Police are everywhere and it is significant that on Saturday [7 Oct 89] the "Central Orchestra of the Ministry of the Interior" will also play an important role during the people's festival on the Alexanderplatz. Many hope that it really will be only a musical role. The conspicuously inconspicuously-clad men of the State Security Service control the inner city of East Berlin.

The GDR counts among the countries with the highest police density in the world. Although there are no published official statistics, the Western information is presumably reliable. The "German People's Police" is subordinate to the Ministry of the Interior, which has been run since 1963 by the now-75-year-old Army General Friedrich Dickel. His official title is "minister of the interior and chief of the German People's Police." The German People's Police—regular police, traffic police, and criminal investigations police—is about 75,000 men strong; in addition there are the roughly 8,000-man-strong transport police and the roughly 15,000 "members of the People's Police for Industrial Security." The "German People's Police" is supported by more than 170,000 "voluntary supporters of the German People's Police."

Also trained and operationally ready for internal security tasks and for "maintaining order" are the roughly

400,000 men of the "armed groups of the working class militia" in their gray uniforms. At the occasion of last Monday's [2 Oct 89] large demonstration in Leipzig, units of the workers' militia were for the first time used together with the People's Police in domestic disturbances. The workers' militia groups are controlled by the Central Committee of the SED. Training, equipment, and supplies are handled by the Ministry of the Interior and the German People's Police. Operational tasks for the workers' militia groups are determined exclusively by the appropriate party command organ, which is the SED leadership of the administrative region or district.

The "armed groups of the working-class" were established in plants, cooperatives and state organs and institutions of the GDR after the June 1953 insurrection for industrial security and as a workers' militia. In addition to the regular, 300-man-strong, light battalions, there are heavy battalions, equipped with armored personnel carriers, antitank guns, antiaircraft guns, heavy machine guns, and heavy grenade launchers. Recruited for service in the workers' militia are 25- to 60-year-old men. Most of the "militia men" are reservists in the National People's Army.

With the armed workers' militia groups the SED—according to Herger, chief of the SED's Central Committee security department—had an "asset" at its disposal which, when tested, had proven its operational readiness and reliability. When initiated into a workers' militia group, a militiaman pledges to "carry out the orders of the party and to be ready at all times to protect the GDR and its socialist accomplishment, weapon in hand, with his life."

Next to the police and the armed militia groups, the State Security Service constitutes the third pillar of GDR's security forces. The Ministry for State Security—run since 1957 by 81-year-old SED Politburo member, Army General Erich Mielke—is responsible for internal security as well as foreign intelligence. The Ministry for State Security disposes over the uniformed 6,000-man-strong guard regiment "Felix Dzierzynski" as a support unit. The State Security Service, which is organized as a "Secret State Police" into regional administrations, district and site offices, has about 25,000 full-time employees. However, there are an additional 80,000 so-called "unofficial employees" and "social employees security," who work for the State Security Service as informants and spies.

GDR security forces, in conjunction with the National People's Army, are subject to the political direction and control of the SED Central Committee's secretary for security. Since 1983 this has been—now with 52 years the youngest member of the SED Politburo—Egon Krenz.



## HUNGARY

### Colonel Curos Reneges on 'Petty Monarchs in Uniform'

25000512E Budapest NEPSZABADSAG in Hungarian  
24 Oct 89 p 5

[Unattributed article: "In Lack of Factual Knowledge" under the rubric "Echo"]

[Text] In an article by Karoly Freesz entitled "Calm Before Scandal" (NEPSZABADSAG 14 October 1989) Dr Janos Csuros had this to say about Dr Imre Bokor's book entitled "Petty Monarchs in Uniform," and about the events surrounding the author:

"Everyone knows that what Imre wrote is only the tip of the iceberg, and that everyone is silent about it. The way this matter was settled outrages our colleagues. To relieve someone of his duty, and to retire a person without providing a reason only goes to prove that nothing has changed, that everything continues according to the old practice—the one Imre described so well in his book. And all of us keep quiet, we do not dare to speak up because we're scared."

Our editorial office received the following letter from Dr Janos Csuros, department head and engineer colonel:

"I made my statement unaware of the following essential facts. I was unaware of the fact that my colleague, Imre Bokor, had agreed to his retirement. I was unaware of the fact that a related order was conveyed to him by the commander of our academy on 6 October. At the time I made the statement I could not have been aware of the Defense Minister's view—perhaps publicized with some delay—on the basis of which the validity of some of my statements may be questionable. So that NEPSZABADSAG readers obtain a more clear and more factual understanding of the situation, I regard it as my moral obligation to have the above enumerated supplemental statements published.

## POLAND

### Military Education for Civilian Higher Learning Institutions Hailed

90EP0106A Warsaw ZOLNIERZ WOLNOSCI  
in Polish 4 Oct 89 p 2

[Article by Gen Bde Dr Wladyslaw Honkisz: "Principal Revisions of Military Education Curricula for University Students"]

[Text] Military service is, pursuant to the provisions of the Constitution of the Polish People's Republic, a civic duty. University students perform it according to the provisions of the Decree on the Duty of National Defense (Articles 100-106). The system for the military training of university students, first introduced 40 years

ago and since then repeatedly refined, assures the performance of military service by all university students and graduates and promotes the training of highly skilled reserve officers for the needs of the armed forces of the Polish People's Republic.

Pursuant to the Decree, fulltime university students considered capable of military service perform military training which is part of the required curriculum. The purpose of the military training is to prepare the students for subsequent advanced military training and for performing duties relating to civil defense as part of their regular workplace duties.

The military training included in curriculums is carried out in:

- educational institutions subject to the Minister of National Education and the Chairman of the Committee for Youth and Physical Culture. The time to be spent on this training is to total 150 hours (in lieu of the previous 180 hours) a year, and it is to end with a final examination. The completion of this training is to be followed by an obligatory 5-month (previously 12-month) military training at a higher officer school or a military training center;
- educational institutions subject to the Minister of Health and Social Welfare. The time to be spent on this training is to total 270 hours (previously 330 hours) over a 2-year period, and it is to end with a final examination after the 5th year of studies. Subsequently, students are subject to 4-week (previously 2-month) advanced training in a military unit;
- two higher naval schools subject to the Minister of Transportation, Navigation, and Communications. The time to be spent on this training is to total 500 hours over 3 years of studies, and it is to culminate with an officer examination.

The military training program includes the basic—because accounting for nearly one-half of the total number of required hours—course in "Knowledge About the Army." To accomplish the principal purpose of military education, students taking this course are taught:

- 1) principal premises of the defense system of the Polish People's Republic, including chiefly the predicted directions of development of the armed forces, basic objectives and purpose of the various armed services, and the structure and basic armament of the Polish army. This last topic will be considered by way of comparison with the organization, armament, and operational tactics of foreign armies. As many as 26 hours, that is, more than 17.3 percent of the aggregate total of curriculum hours, are spent on discussing varieties of combat and troop command;
- 2) the military-geographical significance of the European theatre of war, including the use of topographical maps by subunit commanders;
- 3) selected legal-administrative problems of military service, along with analysis of provisions of the Decree on National Defense Duty in its part pertaining to the



role and place of military reserve personnel in the system of the armed forces;

4) familiarity with equipment and armaments as well as with the contemporary training base of military units and schools.

The course "Knowledge About the Army" allots a substantial number of hours on all kinds of equipment demonstrations and practical exercises. The objective treatment of this course results from broad public discussion and represents a response to the presentation of current problems of national defense by members of the state's political and military leadership while at the same time being linked to the accepted defense doctrine and the concomitant processes of restructuring and conservation of resources. Allowing for political, military, social, economic, and demographic criteria, the attempt was made to bring closer to university students selected problems of military knowledge indispensable to educated individuals, future leaders, on the eventual, modern field of defensive combat.

In this place it is worth noting that the nature of allied [Warsaw Pact] and national military doctrine has become quite defense-minded in conformance with the favorable changes in the international situation, and particularly in its political-military aspect. This is the standpoint from which operating tactics of units and subunits, the system and organization of firing, and the use of individual kinds of equipment and armament will be discussed.

A major part of the military education program for university students is the course in "Basics of National Defense Capability." This 36-hour (previously 54-hour) course will focus on, among other topics, the traditions of defense training in Poland, the nature of the national defense doctrine against the background of the coalition defense doctrine of the Warsaw Pact, the relationship between the nation's socioeconomic growth and its defense capability, and the guiding idea of building trust, security, and disarmament in Europe. As in the other courses of instruction, discrete topics will be taught by means of lectures, seminars, and self-education inspired in the course of military training. To broaden the students' knowledge, instruction will include on-the-spot lectures in museums and historic memorials, which will foster direct contact between university students and the material and intellectual accomplishments of the nation and discrete regions and communities. The instructional approach is based chiefly on dialogue allowing for the exchange of diverse views and opinions.

A major place in the military education program is occupied by a new course, "Civil Defense." In view of the need to also prepare students to perform particular tasks relating to civil defense at their future workplaces, the role, place, and purposes of civil defense in the national defense system have to be discussed more broadly. Much attention in particular will be paid to instruction in the basics of rescue operations in cities

and gminas and at workplaces, as well as in the organization and directing of civil defense formations in time of natural disasters and environmental perils due to forces of nature or damage to engineering structures, and also in protecting farming against contaminations and protecting the population and material assets in the light of international military law. Students will also be familiarized with problems of medical care in the event of mass casualties and with techniques for providing first aid to casualties.

As in the other program courses, instruction will be provided by military and civilian experts. To make the instructional process more realistic, certain subjects will be taught on the basis of local inspectorates of civil defense and developed elements of civil defense in large plants and factories.

Instructors are fundamental to the effectiveness of military training. They represent an intellectually efficient and organizationally cohesive group whose members almost in their entirety have a higher educational background and considerable experience and practice in command and education. The departments for defense affairs at the ministries exercising jurisdiction over the higher schools employ 52 persons with doctoral degrees plus more than 50 with advanced doctorates (nine are habilitated Ph.D.s). Every second officer employed as a university military instructor has a postgraduate academic degree.

The new quality of military training curricula at institutions of higher education and the high requirements at the universities necessitate tightening the standards that the leadership cadre poses to military education. In conformance with the intent of the heads of the ministry of national defense, participation of students in military training is treated as a starting point of career advancement rather than, as in the past, as a stage of military service. Hence, selection criteria have been tightened. In the years 1988-89 about 150 officers [military instructors] were transferred outside military education (or to the reserve).

The instructors are covered by a program of continual advanced training. Their appointment to teaching posts is preceded by an obligatory 3- to 6-month attendance of advanced courses in military science. The principal centers for the advanced training of political officers, administrators, and civil defense personnel are organizing the training and advanced training of instructors in military education.

Assuring the expected effective implementation of the new, ambitious military education program requires an active cooperation and collaboration between the ministries and the institutions of higher education. Military training instructors expect substantive support from all university faculty, substantial assistance in modernizing their instructional facilities, and a well-intentioned treatment and solution of the problems of the military education of university students. The experience of

recent years clearly points to the need for a major reappraisal of the attitude of university administrators and students toward military education. For the duty of a model exercise of that constitutional obligation which is and remains military service should be articulated throughout the educational system.

Under these complex circumstances we are beginning to launch in the new academic year the introduction of a uniform and cohesive curriculum of military education. A broad possibility for adapting this program to the specific features of discrete universities and for further refining it also is afforded. For the substantive and organizational recommendations, comments, and proposals gathered during the 1988-89 academic year will enable the agencies responsible for implementing the military education program to introduce eventual basic changes.

In general, the new military training programs consider in the context of the Polish military doctrines the present-day achievements and directions of the military sciences. To a broad extent they meet the expectations of the academic community. To this end, for example, major changes enriching and updating the content of these programs have been carried out and the repetition of subject-oriented defense topics taught in the military training programs at secondary schools has been abandoned. The number of training hours for all courses has been markedly reduced (by 25-35 percent). In addition, university presidents and directors of military training programs have been authorized to change curriculums as needed depending on the particular features and needs of one university or another and the defense-related interests of students, and also depending on the possibilities for utilizing the specialist defense-related knowledge of the faculty.

Noteworthy is the fairly close relationship between military training programs and other professional fields of study. In this connection, the forecast of the economy's demand for university graduates until the year 2000 describes in some detail the desirable structure of employment skills in 77 subsectors of the economy. A thorough analysis of documents warrants the conclusion that certain subjects taught in military training programs are quite close to the expected qualifications of future higher administrators of the civil service and economic managers, for the skills they inculcate are suitable to directing employee teams and managing and administering workplaces. Thus the new military training curriculum contains a minimum of the knowledge that is both indispensable to the reserve officer and useful to the future manager.

#### **Humanization of Military Service Viewed** *90EP0107A Warsaw ZOLNIERZ WOLNOSCI* *in Polish 12 Oct 89 p 3*

[Interview with Colonel Leon Komornicki, commander, 5th Saxon Armored Division in Gubin, by Major Marek Sieniawski: "Making the Labors of Service Easier"; date and place not given]

[Text] [ZOLNIERZ WOLNOSCI] The humanization of the military service assumes a specific form only here, at the division or regiment level. How did this come about in the Gubin tactical unit?

[Komornicki] I was convinced that forming a person whom we want to command cannot proceed by orders, by writing even the wisest of instructions, or by adopting a resolution. Corresponding conditions ought to be created for this person, clubs and canteens need to be provided, and social and housing issues ought to be solved first, to be sure, our potential permitting. We need to provide worthy entertainment during off-duty time and undertake actions which cost nothing but depend on us, the superiors of soldiers.

[ZOLNIERZ WOLNOSCI] Previously, clubs and club rooms also were in operation. Likewise, arrangements were made for off-duty time.

[Komornicki] However, this functioned on the principle of carrying out orders. We wanted to combat AWOLs, so, what did we do? We embarked on typically formal actions. We did not necessarily reveal the cause.

[ZOLNIERZ WOLNOSCI] Is this a sudden revelation?

[Komornicki] This is no revelation but just providing proper conditions, the ones which follow from actual needs rather than the ones which the superior alone acknowledges.

[ZOLNIERZ WOLNOSCI] However, these needs should be identified first.

[Komornicki] Certainly. On the one hand, this entails investment activities. Every club must have a canteen, circles of hobbyists, and recreation and athletic circles. On the other hand, the present stereotypes of thinking and acting with regard to one's subordinates should be overcome. There should be more good will on a daily basis, and within the bounds of regulations. We came to a joint conclusion that, in order to secure progress in discipline, training, and management we should turn to the person more and get a feeling for his needs.

[ZOLNIERZ WOLNOSCI] Which actions serve this person?

[Komornicki] First of all, alleviating all the difficulties of military service which serve no purpose but merely are a nuisance.

[ZOLNIERZ WOLNOSCI] For example...

[Komornicki] Sentry duty amounts to carrying out a combat mission in peacetime. By reducing the number of soldiers needed for such service, almost a battalion of men could be released from details and duty over 2 years.

[ZOLNIERZ WOLNOSCI] So, it was possible to accomplish this?

[Komornicki] The frequency of sentry duty details is reduced by, say, building guard towers and automating

the guarding of facilities. Besides, not all of the soldiers are allowed to do sentry duty but only the ones who are well prepared for this and have the psychological and physical traits required.

[ZOLNIERZ WOLNOSCI] In view of this, those doing the duty may feel wronged.

[Komornicki] This is why we introduced an appropriate leave and liberty policy. After all, it turned out that previously nobody has dispensed points and rewards for doing this duty but rather penalties.

[ZOLNIERZ WOLNOSCI] Wasn't it easier to get leave for participating in a competition rather than for professional, military activities?

[Komornicki] In the entire division, those rewarded for doing guard duty were few and far between. At present, evaluations are made of every sentry duty publicly and on an individual basis, and the highest rewards and distinctions are given right away—for this rather than arranging a can of paint for the boss...

[ZOLNIERZ WOLNOSCI] What does the decision to allow one to perform guard duty hinge on?

[Komornicki] This decision is made at three stages of preparation. It begins during basic training when we familiarize ourselves with the young people and their ability to carry out such assignments. Thorough preparation for service begins later, in the small parent unit. The practice is not to automatically assign one to sentry duty after taking an oath. This selective admission to sentry duty lasts half a year.

[ZOLNIERZ WOLNOSCI] What are the results of it?

[Komornicki] We have not registered any accidents with weapons. Our research indicated that the accidents were most frequent among the youngest soldiers detailed to sentry duty. These were attempts at inflicting wounds in order to evade military service and even acts of suicide. We have eliminated such cases by now.

[ZOLNIERZ WOLNOSCI] Sentry details are not the only difficulty of army service.

[Komornicki] We have introduced the principle that all soldiers, including professionals, have a free day on their name day or birthday at the option of the person in question. On the eve of the day, the superior congratulates him. We also resort more often to giving soldiers 72-hour liberty. Quite recently, soldiers had to go on sentry duty on their name day. We have sensitized the cadre to these matters, all the more so because it costs nothing but depends on our sensitivity and good will.

[ZOLNIERZ WOLNOSCI] Did the division commander have to take care of all of that?

[Komornicki] The changes we have introduced did not come as easily as we now describe them. They required overcoming bad habits which had built up for years.

[ZOLNIERZ WOLNOSCI] Once again, I will ask for an example.

[Komornicki] Say, the matter of Sunday. The schedule of the day is not permanent but rather flexible. It depends on the TV program on Saturday. The reveille on Sunday is at 09.00 hours so that everyone can watch the program and get enough sleep. In keeping with this, breakfast is at 11.00 hours, and dinner at 15.00 hours. There is no rush, no ordering people about. Likewise, cadre officers from service supervision do not have to be in the barracks on Sunday as early as 07.00 hours, but rather at 09.00. This does not cost anything as well...

[ZOLNIERZ WOLNOSCI] This shows that we can give up absurdities.

[Komornicki] Say, in the case of the first year of service. They do not have to march thoughtlessly in the afternoon because this is the best time to learn the traits of these soldiers and expand their knowledge. This brings us benefits later. Take, for example, our experiment when all soldiers got leave immediately after taking the oath. Due to this, the barracks immediately became empty, there was no crowd and no threat to discipline. In this manner, we have won over the soldiers and their parents. All soldiers were back at the barracks on time.

[ZOLNIERZ WOLNOSCI] This means that a lot can be done. Does this depend solely on the division commander?

[Komornicki] It depends on everyone, but someone has to start it. There were no orders to that effect. It turned out that this does not threaten combat readiness.

[ZOLNIERZ WOLNOSCI] What about humanization with regard to professional soldiers?

[Komornicki] We meet the families of professional soldiers on the occasion of the Day of the Polish Armed Forces. There is a community dinner and a visit to the barracks. This brings us together and creates our family of soldiers. Separation leaves for bachelors are another matter. We grant them in the form of occasional leave once a month as the need arises. Financial compensation to cadres for the exemplary performance of charge-of-quarters service is yet another issue. Such an opportunity is provided by a special bonus—a regular monthly one. The best should be assigned for Sunday and holiday details and due to this should be compensated accordingly. The commander has a right to do so.

[ZOLNIERZ WOLNOSCI] What about those who are not assigned to these details?

[Komornicki] They receive correspondingly less in these bonuses. This has become customary in our units.

[ZOLNIERZ WOLNOSCI] Were there any obstacles from the point of view of formalities.

[Komornicki] No, but customs and stereotypes had to be overcome.

[ZOLNIERZ WOLNOSCI] What kind of customs and stereotypes first of all?

[Komornicki] Say, that everybody is entitled to the same. Or that the soldier has to serve in an exemplary manner for 2 years without incentives and without being motivated. Considerable effort was required in order to convince the cadres that greater care for the soldiers does not amount to a simultaneous decline in discipline and exactingness. After all, fewer AWOLs and emergencies in the service translate into less stress and fewer difficulties for career servicemen as well. We have also proven that in the existing dormitory the cadres may have worthy living conditions because now we have a library there, a canteen, a weight room, a pool, and a ping-pong table, and the rooms are appointed better.

[ZOLNIERZ WOLNOSCI] Humanization amounts to benefits for all.

[Komornicki] This means creating worthy conditions for work and service, alleviating the difficulties through actions not requiring investment and increasing the self-esteem of the soldier so that the 2 years spent in the army would indeed not be years lost and obliterated from one's biography.

[ZOLNIERZ WOLNOSCI] Thank you for the interview.

P.S. This interview was given before the Day of the Polish Armed Forces. On 12 October 1989, Colonel Leon Komornicki was promoted to the rank of general of brigade and at the same time assumed the post of the chief of staff of the Silesian Military District. We offer our cordial congratulations.

### More Military Stations Listed in Effort to Show Openness

90EP0108A Warsaw ZOLNIERZ WOLNOSCI  
in Polish 28 Sep 89 p 3

[Text] This installment in our cycle "Army Without Secrets" is devoted to the Warsaw Military District. General of Division Zdzislaw Stelmazuk has recently taken command of the district. Legionowo already is an open garrison. Among others, the headquarters of the 1st Warsaw Mechanized Division named after Tadeusz Kosciuszko is located here. There are the Berlin 1st Signal Battalion named after Colonel Wlodzimierz Malinowski, the 1st Supply Battalion, and the 53d Medical Battalion—a military hospital.

In Lublin, the 3d Materials and Technical Depot is located which is commanded by Colonel Zygmunt Kosmala. In Krakow, of course, is the 6th Pomeranian Airborne Brigade. "The Red Berets" also include the 10th Airborne Battalion named after the Peasant Partisans, the 16th Kolobrzeg Airborne Battalion, the 5th Composite Artillery Battalion, and the 26th Air Defense Artillery Battalion. On top of this,

there are the reconnaissance, military engineers, signals, supply, medical, and repair companies. The life and service of soldiers wearing red berets is an interesting topic for the representatives of the mass media, especially given "openness."

Rzeszow is the quarters of the 9th Materials and Technical Depot. In addition, as the order of the chief of the General Staff of the Polish Forces indicates, it is permissible to publish full names and locations of quarters of all remaining military units of the 1st Mechanized Division and the 6th Pomeranian Airborne Brigade stating their organizational subordination to the aforementioned tactical units.

In addition, it is also permissible to publish full names and locations of quarters of the 9th Signals Regiment (Bialobrzegi), the 80th Battalion of Antitank Artillery, and the 1st and 32d Training Centers for Specialists of Missile Troops and Artillery. We encourage journalists, primarily civilian journalists, to visit Suwalki, Węgorzewo, and Orzysz. In Kazun, the 2d Military Engineer Brigade is stationed. The Warsaw Military District also includes other units. However, even those mentioned testify to the fact that there is a good deal of openness in the district.

### Defense, Societal Needs To Be Harmonized, Spokesman Says

90EP0108B Warsaw TRYBUNA LUDU in Polish  
29 Sep 89 p 2

[Text] Among other things, press spokesman of the MON [Ministry of National Defense] Lieutenant Colonel Ireneusz Czyzewski said in an interview given to a PAP [Polish Press Agency] correspondent that the minister of national defense has been receiving various requests from administrative authorities, organizations, educational and health care establishments to transfer facilities of various kinds to civilian uses.

This is understandable in view of considerable difficulties with space which occur in many areas of our country. While bringing about a considerable reduction of the armed forces, restructuring in the army should not be interpreted as a simple reduction; it is not identical with eliminating units and automatically vacating the facilities occupied.

The armed forces also experience considerable difficulties with space.

Therefore, in all considerations concerning the future allocation of facilities the objective is to harmoniously reconcile the defense and societal needs.

Lt Col Czyzewski said: "No facility will be used even a day longer than is necessary. Therefore, I would like to appeal to the authors of the aforementioned requests and suggestions for patience and to assure them that the MON fully appreciates their difficulties. As soon as it becomes possible, the spare military facilities will also be systematically released for use by the entire society."

## BULGARIA

**Price Setting as a Cornerstone of CEMA Cooperation**

90EB0077A Sofia IKONOMICHESKI ZHIVOT  
in Bulgarian 16 Aug 89 p 6

[Article by Senior Research Associate Haim Gozes, MA in Economics of the Economic Management Institute at the Ministry of Economics and Planning (MIP): "Price Setting: A Cornerstone of Cooperation; Thoughts and Arguments on the Cardinal Question of Interrelationships within the Community"]

[Text] The undergoing perestroika in the socialist countries and the agreement reached to work toward common market formation of the CEMA nations, a prerequisite for the active development of international labor divisions, require inevitably the need to implement corresponding changes in the price setting mechanism. This is not only true for contract price setting, used in production determination between socialist nations, but also in price determination within the individual countries.

The present method for contract price setting on the basis of weighted average prices (for the last 5 years) in the international market was inadequate to stimulate scientific-technical progress, increase production quality, decrease production costs, and increase product competitiveness. It is known that international price dynamics is great, and that prices for some types of stock and goods on the international market change within 1 year. This is why contract prices set on this basis are often higher or lower than those on the international market, and do not take into account adequately their true level. This undoubtedly is reflected on the real assessment of the results of foreign economic activities between socialist countries, as well as between socialist and capitalist countries.

This determines the need for change in the contract price setting approach applied in foreign trade relations among CEMA member nations. They must be determined according to international price levels for the previous year, or at most, 2 previous years. As in the past, international prices must be free from the effect of certain marketeering and discrimination factors applied at times with regard to the socialist nations, by taking into consideration specific trade and economic conditions for placing goods on the international market.

The formation of a CEMA common market and the establishment of conditions for uniform and objective efficiency assessment of the participation of each socialist nation in the international labor division is related to the pressing need not only for uniform price setting methods by the socialist nations, but also change in the basis and criteria used in domestic wholesale price setting. At this time, there are some serious differences in this respect. Some socialist nations base domestic prices according to national expenditures, others base them on international prices.

This variation in price setting principles in each country is a serious deterrent to the formation of a CEMA common market. This is why the socialist nations must decide which principle to adopt for domestic wholesale price setting: on the basis of international prices or on the basis of national expenditures.

There is no question that uniform price setting principles are needed by the socialist nations. The question is: Which prices will stimulate producers more in each individual nation to implement in a timely manner scientific and technological innovations in production and on this basis increase the efficiency of their activities?

Under the present conditions for accomplishing perestroika in the socialist nations, whenever the question on strengthening trade relations and cooperation among the CEMA and EC nations, and on making the transferable ruble become convertible currency comes up, the answer seems to be self-evident.

Domestic prices of individual nations, set on the basis of national expenditures, do not establish the necessary conditions to strengthen our countries' economies and to increase the efficiency of their activities. The experience of others has shown definitely many times that not taking into account international prices in domestic price setting leads to technological and economic underdevelopment of the corresponding country as compared to the developed capitalist countries, slows down scientific and technological progress, and leads to absolute and relative increase in price levels. This can explain the socialist nations' low growth rates of the national product and social labor efficiency in the last few years which brought forth the task of restructuring their economies.

Undoubtedly, not coordinating domestic wholesale prices with the international or foreign trade prices leads to decreased economic incentives to develop scientific-technical innovations, separates goods producers from the effect of the international market, and gives rise to a certain apathy toward the economic results of their foreign trade activities.

It also makes the merchandise less competitive on international markets and hampers the effective participation in the international labor division.

It is obvious that the more frequently a given nation participates in foreign markets (at this time, such participation is encouraged for the development of the socialist nations) that much more should foreign market conditions be taken into account in domestic price setting.

The active and continuously increasing participation of socialist nations in the international labor division, in world trade, and in world economic cooperation, is an objective factor which shows that taking into account the

effect of foreign trade price levels in the mechanism of domestic price setting is economically necessary and advisable.

It is obvious that taking into account international market price dynamics in domestic price setting creates better opportunities for timely and objective adaptation of the manufacturing enterprises in various nations to international price changes rather than taking into account the national expenditures necessary for society. They are showing increasing interest for innovative use of the foreign market situation. This increases the economic organizations' ability to improve import and export structures, to establish production structures according to world trends and to improve the end financial results of their foreign trade activities by implementing innovative trends in production specialization. All this leads to stronger direct contacts among enterprises of various nations, and to the creation of mixed enterprises and joint-stock companies.

The increasingly active participation of people's economic complexes from the socialist nations in foreign economic relations, the implementation of new forms of integrational cooperation such as industrial cooperation, formation of mixed enterprises and joint-stock companies, consortiums, and increasing the investment in other countries determine the natural increase of the international prices role in the economic mechanism in the CEMA member nations. The need for better utilization of their numerous functions and possibilities in the economy of each country through domestic price setting stems from here.

During the last several decades there has been an internationalization process in economics which has led to increased interdependence among the national economies of individual countries and to common dependence on the international market. This increase in the internationalization process leads to greater requirements from the national industry and helps increase the functioning efficiency of each country's economy. This is natural, because prices of goods on the international market are formed under conditions of greater competition and higher requirements for the technological level and quality of the exported goods.

The successful completion of the tasks posed by perestroika in the socialist nations, requires not only uniform methods and principles in price setting, but also more active utilization of international prices in domestic price setting as an important and necessary prerequisite for the international socialist labor division, for the formation of a CEMA common market, and for further increase of the economic efficiency of socialist nations.

## CZECHOSLOVAKIA

### CSSR Joint Venture Law Leaves Questions

90EC0076A Stuttgart OSTEUROPA WIRTSCHAFT  
in German Sep 89 pp 243-249

[Article by Karel Kuehn: "Although New CSSR Joint Venture Law is Encouraging Step Forward, it Leaves Many Open Questions"]

[Text] The Law on Enterprises with Foreign Capital Participation was passed on 8 November 1988 as part of the CSSR's current efforts to restructure its economic machinery. It was published in the Legal Gazette under No 173/1988 and went into effect on 1 January 1989. For potential Western firms interested in business cooperation with CSSR partners, the new law announces specific facilitation measures and a somewhat larger degree of legal guarantees and legal clarity. However, several key questions remain open—as are numerous specific questions, even though their resolution is well known for determining virtually everything in the business area. The new Joint Venture Law can only be considered an encouraging step forward, if it will be further improved upon. In its present form, it sets relatively narrow limits on any involvement of Western partners in the CSSR economy. Its potential could be exhausted before it has generated the desired impulses to the CSSR economy and—with some exceptions—interesting economic results for Western partners.

The CSSR makes no secret of the fact that the primary purpose of the new Joint Venture Law is to obtain modern machinery and technologies by way of capital investments by Western partners in local enterprises. The CSSR does not have sufficient hard currency for outright purchases. At this point, a comprehensive modernization of the entire economy is one of the most pressing goals of CSSR economic policy. In addition, the new Joint Venture Law is designed to introduce modern, market-oriented management methods in the CSSR economy. These methods are to persuade Western partners to enter into joint ventures. Still, from their point of view, a great deal will depend on the extent to which they consider the law's provisions as a useful basis for investing funds in the CSSR.

Foreign capital participation in CSSR enterprises (establishment of joint ventures) has been possible since 1985. However, relevant legal provisions were scattered among many laws, government decisions, provisions, etc. Also, the regulations were generally very restrictive. All of this had a discouraging effect on Western interests. The new Joint Venture Law not only constitutes a kind of "codification" of the respective legal material, but also a notable easing of past restrictions. Of particular interest is the opportunity for foreign investors to acquire majority ownership. But other new regulations are also in place:

- No minimum limit on start-up capital;

- The opportunity to establish joint ventures in all economic sectors (including banking), except for activities that "are of strategic importance to defense and security";
- Guaranteed repatriation of net profits earned in convertible currencies;
- Significant simplification of the approval process;
- Express legal prohibition for the State Plan to impose production targets on joint ventures.

Moreover, one positive element is that joint ventures are tax exempt for a period of 2 years. While not mentioned in the new law, it was announced by the CSSR representative at a seminar in Prague last year.<sup>1</sup> Also of positive value is the provision in paragraph 27 which indicates that, even if the law itself cannot be altered, other regulations concerning specific problems can. This is because paragraph 27 permits regulations to deviate from the law, if it is a matter of meeting the requirements of international agreements. This point will be explained in more detail at the end of this article.

The following sections are an attempt to point out potential problems as seen through the eyes of a potential Western investor and, if possible, to explain them.

The new CSSR Joint Venture Law and its 31 paragraphs are quite clear. Part I (paragraphs 1 through 4) addresses general questions. Of particular importance is that joint venture investments by foreign partners are not limited to less-than-50-percent ownership. The law makes no mention whatsoever of a limit—upward or downward. However, there must always be a CSSR partner (paragraph 2, section 1), so that 100 percent foreign participation is out of the question. The CSSR partner must always be a legal entity (paragraph 2, section 2). While this provision excludes private persons on the CSSR side, it does not limit permission to form joint ventures to state enterprises only. That means that, e.g., all types of cooperatives, so-called "social organizations"—from youth organizations to the Association of Small Garden Allotment Holders [Verein der Schrebergarten-Besitzer]—and officially recognized churches are, as a general rule, permitted by law to enter into joint venture relationships. On the other hand, the foreign partner may be a legal natural entity (paragraph 2, section 3). All legal questions concerning the joint venture (e.g., establishment, liquidation, legal form, etc.) and all (legal) relations based on the establishment agreement as well as the resolution of legal issues involving that agreement are subject to CSSR law (paragraph 3).<sup>2</sup>

The following comments refer to these general provisions: a majority participation is generally only advantageous if it involves real decisionmaking. The fact that only CSSR law is applicable, qualifies the foreign majority holder's decisionmaking freedom significantly. The CSSR is still far from what the West calls a "state of law." That means in plain language that the enforceability of rights resulting from a potential majority participation is not necessarily guaranteed. Independent

trade jurisdiction is not available. Hence, majority participation alone cannot solve the problems of the Western partner.

Part II of the law (paragraphs 5 through 8) covers the approval process, which was simplified, shortened, and put on a firmer legal basis.<sup>3</sup> Now only one central organ handles the approval procedure (paragraph 5, section 2)—in the past, up to seven bodies were involved. In most instances, it will be the competent ministry and each case depends on the respective sector the joint enterprise is working in. In the banking area, the CSSR central bank will be the competent body. For the foreign investor, it may be important to know that the CSSR partner must provide in the application, among other things, some "information on the foreign participant" that is not further specified (paragraph 6, section 1, letter g). It is not quite clear which information about the foreign partner must be given on the basis of this regulation. The criteria to be used by the approving authorities (ministries) is formulated in such vague language that they may, under certain conditions, open the door to bureaucratic arbitrariness (paragraph 7, section 1). Nevertheless, it must be emphasized that this most definitely is not in line with the spirit of the new law and that CSSR interest in the establishment of joint ventures is so great that correct treatment can clearly be expected.

Part II of the law contains two more important provisions. In the future, a joint venture on CSSR territory may operate in any economic sector, except for areas that are of strategic importance to CSSR defense and security (paragraph 7, section 2). That makes it possible for Western interested parties not only to invest in manufacturing, but also in services (including banking). Under present circumstances (lack of material input in the CSSR economy), the services sector is the better and more practicable area of operations for a Western partner. Investments in the banking area may, under certain circumstances, prove to be absolutely necessary to continue the cooperation. The second major provision (paragraph 7, section 3) requires the approving authorities to make decisions within 3 months. Such deadlines, which set certain limits to bureaucratic arbitrariness, are quite rare in CSSR law, so that—where they exist—they deserve particular emphasis.

In Part III (subparagraphs 9 through 19), the law deals with issues concerning practical business operations—operations of joint enterprises. It is of primary importance that the State Plan must not impose targets on the company (paragraph 9). That means, joint ventures are not part of the still centrally directed distribution system—not in terms of output or input. Thus these enterprises can follow their own independent marketing and purchasing policies. Still, this freedom has both advantages and drawbacks. It can mean problems in procuring all kinds of input. The CSSR economy suffers from a general shortage of materials, so that practically all available materials are part of the State Plan. In practice, however, "no obligations under the State Plan" may also mean that access to necessary materials is not guaranteed



either, since a specific claim must, in principle, be based on specific tasks under the State Plan.

The joint venture must meet its legal tax obligations. Tax liability can only be determined by law, and not by other—lower-level—legal regulations (e.g., government or ministerial regulations) (paragraph 11). Net profits feed into three funds (the reserve fund, cultural and social fund, and finally the wage fund) (paragraph 12, section 1). At least 5 percent per year of all net profits must be paid into the reserve fund; that includes net profits in CSSR and foreign currency (paragraph 12, section 1, letter a, and paragraph 12, sect 2). There are actually two reserve funds: one in CSSR currency and another in foreign currency. The formation of the cultural and social fund as well as of the wage fund is determined by “generally binding” (CSSR) “legal provisions” (paragraph 12, sections 1 and 2). The enterprise is permitted to utilize the remaining net profits in any way it sees fit (paragraph 12, sections 3 through 5, and paragraph 13). The taxation of profits earned by joint ventures is regulated by an amendment (Law No 171/1988, Legal Gazette) to Law No 164/1982, Legal Gazette, on income taxation. Unlike purely CSSR enterprises, which—after the current restructuring of the entire economy machinery has been completed—will typically pay 50 percent of their profits in taxes, the tax rate for joint ventures was set at 40 percent, effective 1 January 1989 (the date when the above-mentioned law amendment and also the Joint Venture Law went into effect). If the tax basis does not exceeds 100,000 korunas (CSSR currency), the tax is only 20 percent.

Preparation of balance sheets and year-end closing statements, which form the tax basis, will create more problems than the tax rate itself. The reason is that all accounting of the joint venture must be prepared in CSSR currency (paragraph 19, section 1, letter b), and the conversion of foreign currencies into CSSR currency (and vice versa) must be done on the basis of exchange rates established by the CSSR central bank (paragraph 17). In view of the price relations in the CSSR—and also in other East Bloc countries, to which they may also want to export—which are not determined by the market and reality, and in view of the equally unrealistic and artificial exchange rate of the CSSR central bank, it is questionable to what extent the balance sheets and annual statements can take account of the economic reality and standards they face in a market economy. In addition, the annual reports must be reviewed by two auditors, appointed by the competent approval authority (ministry) in line with (as yet not available) CSSR Finance Ministry instructions (paragraph 14). This obviously also applies to cases in which the foreign partner is majority owner. This regulation calls of course the independence of the review of the annual reports into question.

The foreign exchange regulations cause additional problems, not only within the framework of the accounting

and auditing system, but also in the financing and assets area, in border-crossing (financial) transactions and in case of liquidation.

The joint venture is free to utilize the foreign currency earnings for whatever purpose it wants (paragraph 15). It may either open a foreign currency account at a CSSR foreign exchange bank or at a bank abroad (paragraph 16). The general requirement in the CSSR that all foreign currency earnings be offered to the CSSR central bank for purchase does not apply to joint ventures (paragraph 15). Nevertheless, tax must, of course, be paid on foreign exchange profits.

Paragraph 4 addresses a restriction that should not be underestimated. Although the joint venture may take out, freely and without official approval, credits in a foreign currency at foreign exchange banks in the CSSR, it must have the approval of the CSSR central bank if the loan is made by a foreign bank. The purpose of this regulation is obvious: the CSSR seeks to prevent joint ventures from contributing in a roundabout way to the possible uncontrolled expansion of its debt in convertible currencies. Hence it is willing to accept the possibility that joint ventures—as a result of this restriction on their financial freedom—may become less attractive to Western partners.

Part IV of the new CSSR Joint Venture Law (paragraphs 20 through 22) regulates the repatriation of foreign currency funds. Any transfer of foreign currencies depends, in principle, on the availability of the necessary foreign exchange assets. In case of a liquidation or reduction of the foreign partner's holdings in the joint venture, the foreign partner may freely repatriate his share of the investment profits, not exceeding the share of the capital stock he actually contributed, i.e., in the currency in which this share was paid in (paragraph 20, section 1). Beyond that amount, he may only repatriate his share of profits or his above-mentioned assets, if the joint venture has actually earned the necessary foreign exchange funds (paragraph 20, section 2). Likewise, foreign employees (e.g., managers) may only be paid in foreign currency and repatriate their earnings, if the required foreign exchange has been earned (paragraph 21, sections 1 and 4). The same applies to all types of social security contributions, to the extent that they are paid for foreign employees abroad (paragraph 21, sections 2 and 4). However, these employees may also be insured with the CSSR social security system (paragraph 21, section 2). On the other hand, existing old age insurance of foreign employees abroad must be continued, and the appropriate contributions must be paid out of the foreign exchange assets of the enterprise (paragraph 21, sections 3 and 4).

All of this means that the joint venture is being forced to export, particularly to countries with convertible currencies. This is the point where the interests of the Western partners and those in the CSSR could clash. It is likely that the CSSR will try to build up the joint ventures as exporters who are able to compete with those Western



markets where its own products find it ever more difficult to be successful. The Western partner, for his part, will usually view the joint venture as a vehicle to open up new markets in the east. As a rule, he already has enough capacity—often even excess capacity—to supply the Western markets. Hence his interest in developing additional capacity for Western markets is limited.

Part IV of the law also regulates the issue of expropriation (paragraph 22). Joint venture property on CSSR soil can only be expropriated on the basis of a law. The same is true for restriction-of-ownership rights (paragraph 22, section 1). Full compensation must be paid for any expropriation or any restriction-of-ownership rights, i.e., at the actual value of the affected property at the time these measures have been taken. The foreign partner may repatriate this compensation in foreign exchange (paragraph 22, section 2).

The expropriation provision, which is actually satisfactory, could turn out to be problematic for two reasons. In light of the above-mentioned provisions for the accounting and balance sheet system (preparation of accounts in CSSR currency) and for currency conversion in line with the exchange rates of the CSSR central bank, it is not clear what the concept "actual value" really means. The second reason concerns foreign exchange transfers. There should be no serious difficulties if the necessary amounts of foreign exchange do not exceed the foreign exchange earnings of the joint venture. However, the share of compensation for expropriated property that exceeds that limit, can only be repatriated after the CSSR currency has been converted in line with the official exchange rates of the CSSR central bank. And this may be disadvantageous for the Western partner because the CSSR central bank tends to significantly overvalue the CSSR currency in relation to convertible currencies.

Part V of the new law regulates liquidation (paragraphs 23 through 26). This is a matter of procedural provisions which are probably of secondary importance to a potential Western partner who considers making an investment in the CSSR.

In Part VI, i.e., the last segment, on joint transitional and final regulations (paragraphs 27 and 31), paragraph 27, in particular, is of tremendous importance. It states that the provisions of the law must be applied unless an international agreement, which is binding for the CSSR, stipulates something else. Hence, in that sense, the law does not represent cognitive law. It can be superseded by bilateral and/or multilateral international agreements. In practice, these are primarily investment protection agreements. Thus, it is possible for potential Western investors to wait until their governments sign bilateral investment protection agreements with the CSSR Government or until the CSSR becomes a member to a specific multilateral agreement. Both may take much valuable time. Until then, those of the Western interested parties who want to benefit from a time advantage, must live with the law in its present form. Only the

future will show whether, in the long run, this time advantage can outweigh the presumably lower profitability of the investment in comparison to alternative investment opportunities. The decision to invest in the CSSR (whether now or only after an investment protection agreement has been put into effect) is in all likelihood less a matter of exact calculation, but much more a matter of company philosophy.

#### Footnotes

1. See FINANCIAL TIMES/EAST EUROPEAN MARKETS, No 25/1988, 19 Dec 88, pp 2-3.
2. That means the joint venture will, among others things, also be subject to the CSSR legal provisions concerning wages and writeoffs. At the present time, CSSR wage regulations hardly ever permit employers to motivate workers by offering performance-oriented wages. In addition, a legal amendment went into effect (Law No 171/1988, Legal Gazette), which will raise payrolls considerably. The employer contribution to social and health insurance was increased from 20 percent to 50 percent of the payroll. As a rule, the current writeoff provisions permit only linear writeoffs. A joint venture that wants to take progressive writeoffs must apply for an exemption. (See also 1).
3. No approval is necessary for the establishment of a joint venture with total annual sales of less than 30 million korunas (CSSR currency). This was stated by Professional Engineer Tibor Gedeon, CSSR Trade Ministry representative in charge of relations with the Western industrial nations, at a seminar at Laxenburg near Vienna on 3 and 4 November 1988.

#### CSSR Looking for New Western Business Partners

##### Move to Market Orientation Claimed

90EC0048A Munich SUEDEUTSCHE ZEITUNG  
in German 7-8 Oct 89 p 35

[Article by Walter Ludsteck: "The CSSR Also Plots a New Course"]

[Text] Prague, 6 Oct—It was an accident—and then again it was not. On the opening day of the Bavarian Economic Days in Prague, the second batch of GDR citizens who sought to enter the FRG through the CSSR began their journey to the West. Thus, while thousands of people announced their dissatisfaction with a socialist economic system which could not meet their consumer needs, West German enterprises were getting ready to explore the business opportunities in the brewing upheaval of the Eastern economy and at the same time—as a side effect—demonstrate the superiority of the capitalist market system. "The time is ripe," the foreign trade minister of the Czechoslovak Socialist Republic, Jan Sterba, promised them at the opening. The CSSR will reorganize its economy and concentrate on closer cooperation with the West, he said.

Invisibly, but clearly noticeably, the political events in Prague and other East bloc cities overshadowed the purely economic aspect of the meeting. In the background was the uneasy question of which forces would ultimately prevail in the present struggle for reforms. It is primarily a question of the sociopolitical effects of one or another course for the population. However, the answer to it also touches upon the Western economy. If the reforms in the CEMA nations succeed, a new (at least from this aspect) market will open up with a gigantic pent-up demand. If they fail, one may fear economic stagnation for an extended time. The present period of change thus conceals in itself both opportunities and risks.

#### Long Way

Sterba did not leave any doubt that the CSSR as well will stake out a new course. "We are developing in the direction of a market-oriented economy," he announced in his welcoming speech to the high-ranking delegation of Bavarian businessmen and politicians. The conditions for making business contacts with foreign countries are to be facilitated, he said. The importance of the export is growing. Hand in hand with this there is increasing need for modernization of the enterprises. Good news for economic relations with the FRG? In principle, yes. But "much is still only expectation and not reality," Bavarian Minister of Economics August R. Lang made it clear in Prague. He stressed the readiness of the German businesses for cooperation. Bavaria supports this and would do all it can in order that the free state "will become the economic center of the German trade with the East." At the same time, however, the politician warned both sides against excessive expectations for short-term successes. This is a matter of long-range perspectives.

#### Payment Problem

In a conversation with Bavarian journalists, deputy Foreign Trade Minister Jiri Nemec represented a similarly realistic opinion. Arrangements such as these Economic Days make a long-range contribution to the improvement of cooperation. They could form the cornerstone for direct relations between companies and experts of both countries. Since the FRG is the CSSR's most important trading partner in the nonsocialist states, it is given special importance in this turn toward the world economy, he said. The new orientation toward the West is, in Nemec's words, "a logical development."

The greatest obstacle in this path is the payments problem, according to the Czech politician, because the CSSR does not want the increase its foreign debt. For this reason, the efforts at this time involve primarily cooperations. As early as the beginning of this year the Prague government issued a law permitting the establishment of companies with foreign—as well as majority—capital. So far, however, only a single German group of companies has seized this opportunity for a joint venture, according to what was reported in Prague. The reason:

The enterprises are waiting for the conclusion of the planned investment protection agreement. Nemec does not conceal that this issue still involves some controversial points, but points out that companies from France, Austria and other countries did not let that deter them.

#### Investment Protection

Minister Lang regards the agreement on the protection and promotion of capital investment as the cardinal point for closer cooperation between businesses in the two nations. He is confident, however, that—"perhaps even in the next few weeks"—there will be a compromise. Negotiations regarding this are to be continued in November in Bonn.

All in all, for the press in Prague Lang drew cautiously optimistic conclusions from his conversations with the politicians there. He confirmed a "careful movement in the direction of market economy." The government is beginning to take a new direction in road-building as well. Until now the principal objectives were the south and north, but now there is increasing thought of a western connection. The minister emphasized the importance of a superhighway from Nuremberg via Amberg and the Waidhaus border crossing to Plzen and Prague, as well as the establishment of another border crossing at Waldsassen. It turns out that the construction of this superhighway is purely a financing problem for the CSSR. There is not enough money.

#### Education Center

Another government concern, the politician reported, is to expand the spa triangle of Frantiskovy Lazne—Karlovy Vary—Marianske Lazne. One is further interested in German medical and environmental technology, the delivery of machines and opportunities for education and advanced training. As announced by Lang in this context, there will soon be an education center supported by private business in Bavaria, where skilled workers and executives from Eastern and southeastern Europe can acquire further education.

Interest in the Western level of science and technology was also expressed in a different manner. The exhibition connected with the Bavarian Economic Days, as well as the numerous professional lectures, experienced a throng of visitors which, in Lang's words, "exceeded all expectations." This could be a hopeful sign that the often used political cliché of "when the time is right" will still become reality in the foreseeable future.

#### Closer Cooperation With Germany Sought

90EC0048B Duesseldorf *HANDELSBLATT* in German  
9 Oct 89 p 13

[Text] Prague—The CSSR is making an attempt to aim for greater market orientation in their economy from 1990 and on. Numerous new laws are intended to assure this. The objective is greater economic flexibility, as

Foreign Trade Minister Jan Sterba emphasized on the occasion of the Bavarian Economic Days in the CSSR.

To be sure, this presentation by the Bavarian economy, in the works for a long time, was overshadowed by the astonishing events in front of the German embassy. The sympathy of some residents of Prague toward the GDR refugees may have contributed to the fact that the workshops and the visits to the exhibition enjoyed a popularity beyond all expectations.

At least 10,000 professionals are expected to visit the workshops alone. The interest is primarily focused on environmental technology, energy technology and electronics, as well as modern agricultural technology, Bavarian Economics Minister August R. Lang emphasized.

A framework agreement intended to serve as the basis for reciprocal trade was concluded between the Bavarian Motor Works (BMW) and the Motokov state enterprise. According to the company, the agreement involves the delivery of large BMW automobiles. There are 30 joint ventures with Western nations, to be sure, but with West German businesses there is only one in environmental technology, deputy Trade Minister Dr Jiri Nemec regretfully stated. He hopes that precisely the Bavarian Economic Days might lead to closer cooperation and to joint ventures between German and Czech companies. The German partners can even acquire a majority—*theoretically up to 99 percent—in a joint venture.*

The joint ventures are to be established in the form of stock corporations according to Czech law. In so doing, the profits and the salaries of the foreign employees could be transferred in foreign currency, Nemec declared. In his opinion, the principal road to a reinforcement of German-Czech economic relations leads through this type of cooperation. It is true that an agreement regarding investment protection is still absent. The vice foreign minister announced that the negotiations about this will be continued in November and he hopes for a compromise solution.

One of the main objectives of the CSSR Government is at all events to avoid greater indebtedness. The 6 billion dollars often mentioned by the Western side are, in the opinion of the rulers in Prague, not a real indebtedness. The CSSR must also protect itself against foreign partners transferring to other countries the excessive foreign exchange profits resulting from the large pent-up demand, Nemec said. At the moment, the joint ventures are primarily concentrated to the hotel sector and services.

"The CSSR does not want to lure businessmen to its country in order to rob them of their capital," Nemec asserted. From 1990, "not only the traffic schedule but the whole traffic" in the Czech economy "will be changed" through numerous laws, in order better to correspond with international standards. In addition to legal regulations for joint ventures with foreign partners, this also includes a more liberal foreign currency law. In

Nemec's opinion, the convertibility of the Czech koruna can only be a very long-term goal: "First, we must achieve the convertibility of our production." The deputy foreign trade minister therefore did not dare mention any point in time when the convertibility of the koruna could be anticipated.

New legal regulations for banking are also said to be forthcoming. Above all, a new law on economic planning, which is to reduce the role of the state organizations and expand the freedom of the enterprises, will also be introduced beginning in 1990. Every state enterprise would find its own cooperation partners. And, not least, prices in the CSSR are gradually to be adjusted to those of the world market.

## GERMAN DEMOCRATIC REPUBLIC

### Emigration Wave Depletes Service Sector, Increases Hardship

90EG0038A West Berlin TAGESZEITUNG in German  
28 Oct 89 p 36

[Article by Anita Kugler: "Earlier—That Is To Say the Time Prior to the Mass Exodus; the Difficult Everyday Life in East Berlin; Life Is Becoming Sadder as a Result of the Refugee Wave; the New Sense of Abandonment and the Difficult Difference Between Hatred and Sorrow"]

[Text] "Child Combination." This actually existing GDR socialist wording designates a creche, a kindergarten facility, and a preschool facility in one building. In such a building, parent-friendly and production-friendly children are cared for, educated, and instructed, daily from 0600 hours to 1800 hours. For example, at the Rosa Thaelmann Child Combination, in the southern part of East Berlin, some 150 children are cared for. For its "exemplary pedagogic accomplishment," the facility received official praise just a few months ago. That was prior to the emigration wave. Now, things look poorly with respect to the "pedagogic accomplishment." It is not the children's fault; they are here as always. The problem is with the kindergarten teachers and the other teachers—they are no longer here. For example, in the summer, Moni K. was taking care of 12 children between the ages of 4 and 7 in a hobby group. In September, she had to take 10 new children into her group since her colleague from a parallel group did not return from a vacation in Hungary. "I was only busy with fire-prevention tasks—to do projects with so many was impossible...meaningful attention to these children is an illusion," she recounts in a resigned manner.

Things look even worse in a similar house on Prenzlauer Berg. There, between August and October, 3 of 10 kindergarten teachers as well as the kitchen help had taken off. Now, a junior intern is helping out in the kitchen and the food arrives in the dining room almost cold. There are no more freshly prepared foods. The intern is not doing her "child work," one educator now

oversees a group of 40 dissatisfied and whining children. At a meeting with parents last week, the consequences of this type of "child care" were discussed. "We tread warily," said one mother, "we cursed the refugees and yet we would love to go ourselves."

Christine A., a member of the congregation of Gethsemane Church would not do this "although I have had it up to here." She cannot explain why she remained behind, she hopes for better times. Christine works in an inner city bookstore, earns M 800 per month, and manages to feed a school-age child on this wage. The money is not enough to buy new shoes; the old ones keep on being glued up, sewn, and resoled. Earlier, there were two shoemakers in her residential district; one has now closed for "operational-technical reasons"—the second is totally overworked. "Once a month on a certain day he takes on new assignments, but not more than a total of 500 pairs of shoes. If I arrive there at 1000 with a stack of shoes, it is already too late, he already has 500 pairs and I can continue to hope for another month that it does not rain."

Christine sympathizes with the "democracy now" movement, but does not participate in demonstrations or vigils. She has no time for that; she is far too busy organizing her everyday life. "Everything has become more difficult in recent weeks; and, at that, it was already sufficiently stressful earlier." Earlier—and this is the new division of time—was prior to the mass exodus. And today is only today, the next 24 hours. In her street, on Prenzlauer Berg, there were four bakers "earlier" and one "production association of the baking trade." Today, there is only bakery left and the production association. There, operations are only maintained on a provisional basis; the association bakers have run off to the west. "Every morning, I am afraid that there will again be a piece of paper at the door saying 'We are closed for organizational reasons.'" Christine can no longer tolerate lowered store-front shades in front of shop windows because she suspects that in each case people have left. "It is bad enough to lift the telephone receiver and to hear that someone else has gone to Budapest. We feel abandoned; I can no longer differentiate between hatred and sorrow." Added to this new sense of abandonment is the fact that normal everyday life has become more difficult as a result of the emigration wave. "Shopping takes longer, is becoming more complicated, the supply situation is worsening." Earlier, on her lunch break, Christine would go shopping; soon, this will no longer be possible "because so many cashiers ran away from the Centrum Department Store that long lines form behind those cash registers which are open." Christine needs to visit an ear, nose, and throat specialist urgently; however, the insurance panel physician is "on vacation" and the backup physician is far away in Oranienburg. She no longer goes to restaurants; she knows that, primarily at the HO Restaurants, dozens of waiters are missing.

"It is a vicious circle; many are going because others have gone." She no longer wants to turn on western

television with its daily "runaway statistics," she can no longer stand to hear the "bubbling freedom intoxication" of the politicians. "They are acting as though tanks were rolling here like in China," she comments upon seeing the tears of joy among the arrivals in the west. Despite her anger at the "deserters" (these "egotists"), she is also able to understand the refugees: "Everything is so gray here, on Prenzlauer Berg the old houses are decaying...and we are getting older without having lived."

The ash tray is full; Christine lights yet another of who knows how many cigarettes; the 13-year-old son has finished his handwritten student newspaper. His front-page story is a report about arrests made by the State Security Service on the evening of 7 October.

#### [Boxed item]

In a contribution for the FDJ [Free German Youth] newspaper JUNGE WELT, economist Peter Thal from the University of Halle/Wittenberg noted that the emigration and refugee wave is costing billions. Given a national income of M 268.4 billion and a current 8.6 million workers, the national income declines by 0.12 percent annually per every 10,000 emigres. This amounts to around M 330 million.

#### Economist Advocates Market-Oriented Planned Economy

90EG0037A Frankfurt/Main FRANKFURTER  
ALLGEMEINE in German 7 Nov 89 p 19

[Article by Klaus Kemper: "The New Magic Formula Is Called a 'Market-Oriented Planned Economy'—A Conversation With the Leading GDR Economist, Professor Otto Reinhold"; first paragraph is FRANKFURTER ALLGEMEINE introduction]

[Text] That the GDR economic system is urgently in need of reform has been clear to the leading economists in the other part of Germany well before October of this year. "Many of our considerations today are already several years old." The rector of the Academy of Social Sciences of the SED [Socialist Unity Party of Germany] Central Committee, Otto Reinhold, placed as much value on this determination as he did on his conviction that the GDR must find its "own solutions" for such economic reforms. The concepts toward this end are to be in hand, with respect to the most important outlines, at the latest by the beginning of next year. Reinhold, who is among the key thinkers of the SED, indicated how in his opinion these concepts should look in a conversation with this newspaper. He proceeds from the assumption that the influence of the marketplace upon events in the economy can be palpably expanded without necessarily calling into question the system of the planned economy at the same time. "One could call our position a market-oriented planned economy," said the economist, creating a new magic formula.

Reinhold continues to be convinced that the economic policy of the GDR cannot adopt a quarter or an eighth of capitalism and shape the remainder as a socialist entity. Like those in power in East Berlin only wanted to accept political reforms to this day if the leading role of the SED is not endangered, so socialism, which is based essentially on social (state) ownership of the means of production and on state guidance, must remain the basis of a reformed economy as far as Reinhold is concerned. "Today, we are not debating whether there are alternatives to socialism and which alternatives they might be, but rather how this socialism will look, how it will be shaped, what fundamental changes and innovations it must experience"; this is Reinhold's answer. And as far as he is concerned, what is primarily necessary is to find methods of increasing efficiency which are specific for socialism. And he adds: "capitalism has such methods at its disposal; think only of the position occupied by individual employees in the enterprise, think of the danger of unemployment and the pressure exerted by specific conditions of competition. I am firmly convinced that these methods would not have the same effect under our conditions. This is primarily what I meant when I said that we cannot take over a quarter or an eighth of capitalism."

The economist does not exclude the fact that even in a socialist system the market must be credited with growing importance as a steering mechanism. "If, as we intend, we make the transition to the principle of self-financing in the entire people's economy, this can, for example, only function under market conditions and then result in the desired success," is his explanation. State planning, which is something Reinhold does not wish to forego under any circumstances, is to be limited to primarily two key points in the course of the planned reform—the creation of the best possible overall conditions for enterprises and the influencing of structural changes with the goal of avoiding excessively large social conflicts. Direct state incursions in enterprise affairs must in future be prevented in any event, in the opinion of Reinhold. The control of production and sales, of prices and wages is to be left, as much as possible, to the actions of supply and demand. However, this does not mean to Reinhold that there will no longer be any subsidized prices in the future. "For example, I do not believe that it will be possible, one day, to allow the supply and demand to control bread prices," is one of his answers. Meanwhile, he believes that anyone who wants to have a more comfortable and larger apartment will, in future, also be paying a higher rent for such a facility.

The economist also finds that the performance principle must again be more strongly emphasized in the labor market. "It is certainly a difficult problem for us, nevertheless we will not get by without adapting our labor legislation to the new requirements," he said on this score. And he adds: "We can certainly propose that all those who do not work be dismissed regardless, but one can also not assume that we will be able to continue to bear these costs as part of our people's economy without

limitations." Just as a realistic orientation with respect to market situations pertaining to the waste of material and energy in broad areas of the economy could be counterproductive in terms of the formation of prices, so Reinhold hopes that performance-based labor legislation and a differentiated wage policy would help substantially increase the efficiency of enterprises. In this connection, he could visualize that the enterprises could switch over to a profit-oriented wage policy, that, based on the position and the performance of the individual, a firm wage will be paid which will be supplemented by participation in the appropriate profits made by the overall enterprise.

A stronger market orientation for the entire economy—which is assumed by Reinhold—will possibly also lead to a change in the current structure of enterprises. Certainly, thought will have to be given as to whether it is meaningful to maintain all existing combines and whether or not it would seem advisable to once more provide stronger promotion, in certain areas, to the creation of small and medium-size enterprises which then could be operated across the board in a cooperative manner or could even be privately owned. "We certainly cannot and do not want to be opposed to the development which is occurring throughout the world today, and which leads to ever greater entrepreneurial units and yet we must optimize the combination between large, medium-size, and small enterprises," says Reinhold. For him, this includes strengthening international cooperation. "So we shall soon also come to a joint venture with enterprises from the West, and we must come to this," he states. In his opinion, the legal prerequisites for this kind of development must soon be created. Meanwhile, more time will be required to make the GDR mark step by step into a convertible currency—because even this step cannot be bypassed in the long run.

#### **Economist on Need for Expanded Infrastructure, Cooperation**

*90EG0020A Duesseldorf HANDELSBLATT in German  
No 194, 6-7 Oct 89 p 16*

[Unattributed article: "Plea for CEMA Common Market"]

[Text] There must be a united market in CEMA, even if the conditions will be quite a bit more complex than those surrounding the creation of the EC Common Market. This statement was made by Prof Helmut Koziolk, director, Central Institute for Socialist Economic Management at a press conference related to the 40th anniversary of the establishment of the GDR.

As a primary consideration he mentioned the greater homogeneity among nations as an advantage for Western Europe while, in his opinion, in Eastern Europe it might perhaps be possible to more easily establish socio-economic uniformity. He characterized productivity as the major problem because creation of a united market can only be tackled from this perspective and the

backbone would have to be scientific-technical cooperation. As far as he is concerned, the first steps along this path are plan coordination and the currently existing beginnings of scientific-technical cooperation. Thus, a process which has already been started will have to be continued, and this will be a rather lengthy process.

In addition to an improved supply of high-quality consumer goods, for example, in the electronic entertainment sector, Koziolk also puts expansion of the infrastructure on the agenda of problems which the GDR will have to solve right away. In this connection he also has in mind communications technology which will play a large role up to the year 2000. The GDR has a great deal of catching up to do in this area. He questions whether it can do that all by itself.

Koziolk, in talking about himself, claims not only to have been an observer of the development of the GDR economy for 40 years, but also to have been "involved" in it, he is a relentless supporter of the unity of economic and social policy which, in his mind, represents the most important alternative to capitalism. Thus, in response to the question about plan and market he usually responds that in no way is the GDR suffering from a market psychosis, and two things will certainly not happen: a work force market which results in unemployment because full employment is a central social task, and a capital market which undermines social ownership.

With respect to foreign trade Koziolk is firm in his belief that the GDR has a thorough understanding of the market. This is revealed not only by the fact that 50 percent of national income depends on foreign trade, but also because there is an openness to international cooperation or even "things like joint ventures." When asked about competitiveness specifically in respect to the emerging Asian countries, Koziolk stressed the necessity for higher productivity and efficiency while simultaneously reducing costs. In his opinion, those 16 combines which are intended to be self-financing and to increase profits, and which should therefore also create higher a level of motivation for the working people occupy a key position in this matter.

With reference to the "unity of economic and social policy" the economist emphasized social security for all, but social differentiation for performance; as he suggested several times, enhancing performance is an indispensable necessity for the GDR economy.

To be sure, Koziolk did not want to voice any opinion about the problems relating to the wave of emigration and escapes from the GDR, but had clearly anticipated similar questions. Thus, he said that the events at the beginning of the 1960's had, according to calculations by another economist, cost the GDR about M100 billion ("...which accrued to the benefit of the FRG"); but today the total will surely not be that high, yet he did want to make it clear that it costs the GDR M 150,000 to train a medical student, M 120,000 for an engineering student and between M 45,000 and 50,000 for a skilled worker.

### Accomplishments, Future Goals of Railway System Cited

90EG0022A East Berlin SIGNAL UND SCHIENE  
in German Vol 33, 13 Sep 89 (signed to press  
4 Aug 89) pp 161-163

[Article by Herbert Keddi, social scientist, economic engineer, deputy minister for GDR transportation and first deputy of the director general of the GDR railroad: "Efficient Railroad as an Economic Requirement"; first two paragraphs are SIGNAL UND SCHIENE introduction]

[Text] As of 7 April of this year, 150 years have passed since the first long-distance German railroad route between Leipzig and Dresden was opened. This event was appropriately acknowledged by GDR railroad (DR) workers, conscious of the fact that the real beginning of the development of the railway system in the German countries did not start until this route was opened, creating at the same time an essential prerequisite for the rapid development of general economic life. More than 100 years later, a new beginning for the railroad was necessary, because Hitler's fascism had left the railway system and all other sectors of social life in chaos.

In what is now the GDR, approximately 14 percent of the routes were destroyed, 970 railroad bridges were unusable, approximately one-third of the buildings and 54 percent of the station platform halls were reduced to rubble. The by far greatest part of the vehicle fleet was in West Germany, and of the remainder 56 percent of the locomotives were not operational and 59 percent of the passenger cars were severely damaged. Similar or worse conditions existed in other branches of industry. Those were the initial conditions when 44 years ago, on 1 September 1945, by order no. 8 of the Soviet military administration in the territory of today's GDR, the railroad was once and for all transferred into the hands of the people. Until the establishment of the GDR, this was how radical anti-Fascist-democratic change became possible in the state apparatus, the economy and even with the railroad, and, in addition, it was possible to begin solving the first tasks of the period of transition from capitalism to socialism. However, the material foundation as an initial basis for healthy and systematic growth was extremely bad. Faith in successful development of these two state and economic sectors which have a reciprocal impact on one another demanded the knowledge of responsible functionaries in the respective management offices in respect to the strength and capabilities of a working class which was developing free from capitalist exploitation.

### Efficient Railroad in the GDR

Today, railroad workers can justifiably state with pride that the past 40 years are among the most successful in the history of the German railroad and are linked extremely closely with the continuous dynamic development of our republic which focuses on the welfare of the people. Today the DR [GDR railroad] numbers among

the most facilities-intensive enterprises in the GDR. Every railroad worker controls basic assets worth on average M 355,000. Since 1970 in particular, there has been a substantial increase in the demands on the railroad, stemming from the policy, which was adopted by the Eighth SED [Socialist Unity Party of Germany] Party Congress, of the primary task in its unity of economic and social policy which in turn triggered the further upswing in the economy as a whole.

Freight transport capacities increased from about 40 billion ton-kilometers in 1970 to about 60 billion ton-kilometers (thus about 150 percent) in 1988. Thus, the railroad achieved a 75-percent share of all domestic traffic freight transport capacities. That is an important contribution to fulfilling the "Directive of the 11th SED Party Congress to the 5-Year Plan to Develop the GDR's Economy from 1986 to 1990" which set forth for the transportation system, among others the task to meet the economically based transport requirements in freight traffic reliably and with declining costs and in a priority way to guarantee increased efficiency in the railroad with marked improvement in the quality of its transport and conveyance capacities.

The available capacity in passenger traffic was increased significantly so that today the railroad realizes about 40 percent of public passenger traffic capacities and transports about 1.7 million people every day in commuter, school, and long-distance traffic.

By virtue of extensive transport shifts the railroad took over from the highways substantial additional transport capacities for the housing construction program by utilizing the energy-efficient advantages of rail traffic.

With the shift in energy sources from imported petroleum to the domestic industrial energy basis, coal transport in particular showed a significant increase after 1980. Thus, in 1988 for example, 25 million more tons of coal and coke and 7 million more tons of building material transports were handled and road transport was relieved of 33 million tons of freight.

Although it was not completely possible to link the pace of dynamic development with a material-technical basis of the railroad which was developing on a similar scale, decisive prerequisites were, however, created which made possible for the first time the increases in capacity which were achieved. More specifically, since 1970 decisive prerequisites for continuous increases in capacity, which were also in the interest of the republic, with a roughly constant labor force potential, were created by:

- expanding about 1,850 km of two- and multitrack routes
- using about 6,500 track brakes at switchyards
- increasing efficiency with the new construction of 370 geographical panels, and
- using 1,100 km of pointlike train control installations, almost 3,600 km of radio train controls and about 1,200 train-operated grade-crossing safety installations.

### Route Electrification as Key Rationalization Element

The decisive key element in rationalizing and strengthening the railway system's material basis in the last decade was the electrification of routes. If in 1970 the share of electrified routes was only 990 km, which accommodated about 16 percent of train transport capacities, at the end of 1989 it was about 3,770 km. In this, the 40th year of the GDR, for the first time more than half of the train transport capacities are being realized with the most modern of all kinds of traction. Steam traction was stopped on main routes, and steam locomotives bring pleasure to friends of the railroad only as desirable subjects to photograph in front of special or traditional trains. The most important chapter in the electrification program was realized by the members of the FDJ's [Free German Youth] Central Youth Project "electrification of railroad routes" which has been in existence since 1981; about 63,000 concrete foundations were laid and contact line poles erected and about 6,500 km of chain pulled.

The 2,000th km of electrified railroad route since the 10th SED Party Congress will be put into operation on the eve of the GDR's 40th anniversary. Route electrification was thus developed as a decisive innovation process and an energy-efficient rationalization process in new dimensions, resulting in approximately a 35-percent reduction in specific traction energy consumption since 1980. Not least, electrification of railroad routes ranks high because of obviously less environmental pollution stemming from less emission of pollutants.

Even in the car fleet sector, the reproduction of freight and passenger cars required implementation of the prerequisites which are essential for guaranteeing growth in capacity and with consideration of those in industry and the railroad; in this connection it was not always possible to realize the most efficient solutions. The GDR railroad uses about 8,500 passenger cars every day for the 7,500 passenger trains which must operate. In 1986 to 1988 alone, about 700 new vehicles were added, of which about 70 percent were produced by the railroad itself in the GDR Halberstadt railroad repair yard.

Because of the increasing capacities special efforts were essential in connection with the freight car fleet in order to make the necessary transport space available. Based on a May 1985 government resolution, by 1990 approximately 13,000 twin axles on open and flat cars will be added to the fleet; this is also true of 7,200 twin axles for enclosed cars and about 2,500 twin axles for special cars; of these the DR itself will likewise produce just about 6,000 twin axles in its repair yards. In spite of these large numbers, by 1990 it will still not be possible to achieve any proper structural development of the freight car fleet. In particular the share of bogie cars is decidedly still too small.

The railroad's fleet of locomotives includes about 6,100 vehicles. Of these about 75 percent are diesel tractive units. Because of the rapid electrification of the system



the relative composition of the fleet is constantly shifting toward electric traction. Every year since 1986 more than 100 electric locomotives which were produced by the LEW [Locomotive Construction and Electrotechnical Plant] Hans Beimler Combine, Hennigsdorf, have been put into service. In spite of these significant new additions the average age of the vehicles continues to rise. The resultant increase in maintenance expenditures has far-reaching effects on the capacities which must be provided by the 36,000 railroad workers in the vehicle repair sector. Even in the future the working people in this sector will continue to be responsible for guaranteeing proper vehicle maintenance. In addition to the further rationalization and modernization of maintenance processes the most important overall strategic tendency consists primarily in lengthening maintenance cycles by using wear-resistant parts. Beyond that, new construction of freight cars must be substantially increased, and the efforts on the part of the scientific-technical facilities must concentrate on making an increasing contribution to the production of typical railroad rationalization means. Just since the 11th SED Party Congress, for example, more than 200 trailing cars were produced for the Mukran ferry port, some 900 reversible trucks for wide-gauge cars and about 19,000 large containers.

#### Strategic Main Lines of Development

On the occasion of the GDR's 40th anniversary railroad workers can look back on the previously mentioned initial positions, which were by no means complete, with pride and with the knowledge that their country's peace and social policies guarantee them safety and security. Yet this security does not come about by itself. Especially in the next few years it will be a matter of an even better understanding of the relationship between performance and social result and acting accordingly. To do this, it is necessary to have all railroad workers understand that the path which has been taken in the past few years in realizing the party resolutions for increased intensification of the railway system's transport, construction and repair processes, a path which on the whole has been proven valid and with which the railroad fulfills its role in the economy, must be purposefully continued in a manner appropriate to the increasing demands in harmony with the likewise increasing opportunities provided by socialist society. By continuing the energy- and cost-favorable division of labor between the carriers, the material-technical basis of the railroad—as a condition for stabilizing and enhancing its efficiency—must be strengthened, particularly by greater output in the industrial and building and contracting sectors. At the same time, the necessary scope and growth in capacity can be put on a stable basis by raising the scientific level of the transport, maintenance, and construction processes and by using efficient technologies.

In this context, the tasks of the GDR railroad can be organized along the following strategic main lines for the foreseeable future:

- improving the level of quality in commuter and passenger traffic as an important social mandate to the railroad
- stable and appropriate domestic and foreign trade transport as a contribution to the republic's steady economic growth while continuing to energetically pursue the design which was adopted in order to lower specific transport costs throughout the economy and for an energy- and cost-favorable division of labor between carriers
- stabilizing the railway system primarily by:
  - appropriate maintenance of the railroad as a decisive prerequisite for stability in schedule technology;
  - continuing to electrify the system, and
  - outfitting with modern safety equipment as decisive processes of innovation for greater DR efficiency
- greater profitability of the railroad by:
  - the economical use of material, personal, and financial capital;
  - reducing the specific cost of working time, material, and energy, and
  - guaranteeing a greater contribution by the railroad to the GDR's national income.

A few selected requirements for these key tasks, which apply not only to 1989-90, but will certainly also characterize the strategy of the next 5-year plan period, are amplified as follows: in view of the ongoing motorization of individuals, the quantitative level of development which has been achieved must be the starting point in commuter, school and passenger traffic, that is, the number of passengers to be transported every year will remain more or less constant at about 600 million people. This results both in the necessity as well as the opportunity to have a systematic impact on eliminating shortcomings and, in harmony with the opportunities provided by the plans, to improve the level of quality, particularly in areas of importance for passengers, such as:

- passenger trains being on time;
- smooth dispatching and excellent information, and
- appealing cleanliness of the installations and vehicles.

The prerequisites which exist for the individual tasks are diverse. In each case it is essential to accomplish that which can be done, to fully utilize the opportunities available and systematically to repress subjectively conditioned negative impacts and influences. It is not enough to point to the fact that there has been a positive development in train traffic since 1986. It was achieved at the cost of introducing additional temporary technological additions to travel time starting with the 1988-89 schedule change. There was, of course, no alternative to this, yet we must keep our word vis-a-vis the passengers and again get rid of the resultant increases in travel time in a systematic and route-based manner. The pace to date is totally inadequate. The change in the schedule this year achieved the first, and for the passengers, markedly shorter travel times only between Berlin and



Stralsund via Pasewalk and between Erfurt and Berlin. Now we must work on reducing the travel times on a number of other important routes when the schedule for 1990-91 is changed, for example between Berlin and the Bezirk cities of Dresden and Magdeburg. The way to do this is to eliminate facilities-based travel time losses by means of route-based concentrated construction in all trades, as well as reducing technological travel time reserves to a reasonable level.

By continuing to use modern, efficient and microcomputer-assisted technology for selling tickets and reserving seats there must be assurance that waiting and dispatching times will continue to decrease, that the dispatching system will show an increase in being user-friendly to the customer and that the workers necessary for these processes will be available with simultaneous continued improvement in their working conditions.

On average, every day about 8,000 passenger cars are currently given external and internal cleaning following a fixed cleaning cycle. This takes care of about 93 percent of all the highspeed trains in circulation in the system; however, the number is far less for passenger trains. As far as passengers are concerned, clean trains are a decisive feature of quality. Thus, in the future, in a manner more consistent than has been the case in the technological plans, it will be important to assemble the trains, as provided for in the plan, will have to be assembled in the washing facilities in a timely way in order to utilize the washing and cleaning capacities around the clock. To do this, science and technology should not only provide perfect solutions with appropriate cost levels for the year 2000, rather, more ideas should be realized which when put into action will permit achieving results with low cost; as, for example, wherever passenger cars must be filled with water. Beyond that, all activities must be supported and enhanced which stimulate the use of additional cleaning crews and even the availability of additional cleaning equipment by developing their own rationalization means.

In the major service sector of car management it is important to decisively strengthen management and control and not be satisfied with inadequacies!

In the next few years the key problem in the railroad's reproduction process will be increasing the stability and efficiency of the system in the broadest sense. In this connection, the permanent way and its systematic preventive maintenance in particular assume major significance, conditioned by the railroad's basic technological principle of "travel on solid rail joints." The 1989 construction program for the year contains 6,000 km of permanent way repairs, including 940 km of track repair, which in the future is to be increased to 1,000 km, 680 km of ballast cleaning and 3,200 km of thorough inspection of the tracks with special high-performance equipment.

### Stable and Efficient System

In view of the current extraordinarily high use of most main lines, conditions are emerging for maintenance of the railroad installations in the next few years which by necessity will require a further increase in construction efficiency. Thus, the measures which impact operation and which are essential to restore, maintain, and increase route efficiency must be implemented in such a way that when routes are closed the greatest possible capacity is achieved while observing all quality parameters. This requires sensible combinations of individual machines or entire chains of machines using modern maintenance technologies.

Beyond that, preparation of construction work, both with respect to operational technology and machine technology, must be further structured with the goal of not permitting a minute's increase in a scheduled shutdown on heavily traveled main routes, because exceeding shutdown times causes losses of a magnitude which is economically unacceptable. Thus, it is less a matter of increasing the scope of construction every year than it is to tighten up construction time, to guarantee preventive maintenance and at the time of a shutdown to integrate the necessary work of other trades on a broad basis. Complex construction sites at which work using highly efficient technologies can be done around the clock—thus even in the dark—are increasingly unavoidable. This imposes high demands on railroad construction workers whose working conditions must be developed in harmony with the increasing volume.

Increasing the stability of the system must be linked with a further increase in efficiency, the key element of which is continued electrification of the system at the rate of approximately 300 km/year and the use of modern safety and telecommunications technology in keeping with economic opportunities. Providing efficient parallel tracks on the most heavily used main lines is particularly important; these can be used to distribute traffic using the same kind of traction in a meaningful way with consideration for the extent of track usage or to reroute a sufficient number of trains as a prerequisite for systematic maintenance, both in the case of large-scale construction work as well as disruptions or accidents. These prerequisites are in place for a number of main lines, yet such a possibility is lacking in the case of the most heavily used main line in the DR's system, namely the Berlin-Halle (Saale)/Leipzig-Erfurt route. Particularly on this main route and at the Halle (Saale)/Leipzig junction the increases in volume of the past few years have resulted in high degrees of use on many track sections as well as associated evidence of overload. They in turn cause increased sensitivity on the part of operations management, which even in the case of rather small irregularities in part forces substantial deviations from the technological design, makes preventive maintenance of the installations difficult and results in reduced quality in passenger and freight traffic.

Therefore, one of the most important tasks in expanding the DR's system in the next few years consists of two-track expansion and electrifying the (Berlin)-Seddin-Guesten-Blankenheim-Sangerhausen-Erfurt route. Only with the expansion of this parallel main line will the conditions be created for stable operation at the Halle (Saale)/Leipzig junction in order to be able to handle the passenger and freight traffic to and from Erfurt bezirk in a qualitative and timely manner which also meets the requirements. At the same time, the efficiency of the Leipzig freight ring—one of the most important arteries in the heart of the DR's rail freight traffic, the Halle GDR railroad directorate—must be increased. The capacities of all sectors of the railroad which are involved in preparing and carrying out this work and the economically necessary cooperation must be concentrated in a priority manner on these two tasks.

The DR's current task and the one which will also define the future, namely fulfilling all economically essential transport requirements, can only be solved by taking into consideration the anticipated development of material resources and the social capacity for work, if even higher profitability and efficiency is effected in the determining processes. The decisive contribution must come from science and technology.

#### **Profitability and Efficiency Are Decisive in Science and Technology**

Scientific-technical development for the railroad is determined by three major thrusts, specifically:

- the previously cited continuation of system electrification
- the in-house production of rationalization means, and
- the introduction and use of key technologies in the major processes of railroad transport, industrial and construction production.

Of the large variety of rationalization projects which have been tackled in large numbers in honor of the GDR's 40th anniversary and in preparation for the 12th SED Party Congress the planned result must be achieved in each individual case. That is one of the most essential tasks for 1989-90. Beyond that, in-house production of rationalization means must rise, show a 20-percent increase between 1991 and 1995, and with respect to key areas must concentrate on track repair machines, underground construction equipment, switching equipment, vehicle maintenance and cleaning, and on safety and telecommunications technology. A new type of division of labor and the development of internal cooperation, which is efficient and ranges across major service branches and sectors, are essential as prerequisites for this.

The process of concentrating the research and development which was initiated in 1988-89 must be continued in the future with even greater decisiveness. A

key task consists of jointly realizing with our economic partners the necessary transport requirements by means of efficient transport technologies in a reliable way and with decreasing costs. One of the ways to do this is to develop computer-assisted production-transport chains which will be made possible by the use of microcomputer technology—combined with the prerequisites which must be created for efficient and effective data transmission. Decisive prerequisites to reduce specific transport costs and for better utilization of the freight car fleet are to be created by:

- optimizing relations between transport and delivery
- applying optimization results to planning train assembly, and
- developing an efficient, computer-assisted system to monitor and announce freight cars. Other essential results can be achieved by simplifying secondary and auxiliary processes, for example, by dispatching and transporting without bills of lading.

In the future, for all tasks which are to be solved in the scientific-technical sector, even more vigorously than to date, the effect which is to be achieved, measured against the cost involved, must be the decisive criterion with respect to the value of handling specific topics. Saving active work, particularly freeing up workers, has absolute priority. By 1995 more than 20,000 workers must be freed up just in order to balance out the development which is to be expected in the social capacity for work. The most important contribution to this must be provided by science and technology.

#### **Next Stretch of Road Requires High Degree of Performance Readiness**

Solving the railroad's key tasks in the next few years requires good preparation and highly efficient certainty. In view of the intermediate, and in part even longer-term problems at hand it must never be forgotten that the DR's most important task consists of satisfying on a daily basis the economically mandatory transport requirements. In order to fulfill the 1989 plan tasks and especially to gain control of the fall and winter peak travel loads, railroad workers are thus facing a demanding stretch of road. In addition, there is the fact that in the worker's struggle for high economic results in all sectors of the economy—especially in preparation for the 12th SED Party Congress in May 1990—extraordinary demands will be placed on the railroad starting the first day of next year. This requires the use of all resources, a substantial measure of fighting spirit, readiness to perform and creative work in all work collectives and forward-looking management of the respective processes based on a division of labor on the part of the state managers in close cooperation with the responsible party and trade union units.

## HUNGARY

### Political Parties View Land Ownership Conditions

25000507 Budapest FIGYELO in Hungarian  
19 Oct 89 p 11

[Unattributed article: "Proprietary Conditions in Agriculture: Take Your Pick!"]

[Text] We are facing coalition times, therefore it would not hurt to know what economic policies, and within those, what agricultural policies the competing parties advocate. The Agricultural Information Enterprise has gathered and published the agricultural programs of the Independent Smallholders, the Agricultural Workers and Bourgeois Party, the Christian Democratic People's Party, the Hungarian Democratic Forum [MDF], the Hungarian People's Party, the Hungarian Socialist Party [MSZP], the Social Democratic Party of Hungary [MSZDP], and the Alliance of Free Democrats [SZDSZ]. The following are excerpts from these policy statements, as they pertain to land ownership.

#### Independent Smallholders, Agricultural Workers and Bourgeois Party

"Whoever wants to pursue private farming (cooperative member, heir, entrepreneur) should have the right to demand the return of the land he originally contributed, or a land of equal value calculated in gold crowns. Cooperatives and state farms should return such land. This should apply in particular to outlying farms. We do not accept the concept by which cooperatives have indivisible property—land that amounts to 70 percent on a nationwide scale. Our ancestors sacrificed a lot for that land, they suffered want, and sweat blood to cultivate that land. The indivisible property belongs to members who were excluded, and to deceased cooperative members whose descendants did not join the cooperative. To reacquire that land amounts to a minimum; it equals the amount of 4 years of rental fee to be paid for that land. This amounts to the value of between 5 and 10 kg of wheat per gold crown. The gold crown value multiplied by 100, as specified by the amended land law, is also unrealistic. Cooperatives ask 10,000 forints per hectare per year in leasing fees.

"What a difference!

"The peasantry does not want to lease land, it wants to have its own land it contributed "voluntarily" instead. The right and practice of common use may be maintained along with ownership conditions in well functioning cooperatives, if the membership (those who contributed land) so desires. The issue of private property would also have to be settled in this case on the basis of ownership shares, stock, or limited liability corporations. Private property should be inheritable, regardless of whether the heir is a member of the cooperative or an outsider. In this way real interest, and the outlook of the owner and of the farmer, may evolve."

#### Christian Democratic People's Party

"Land should belong to the one who cultivates it! This should also mean that land ownership or perpetual lease should be exclusively in the hands of Hungarian citizens committed to the land, who have an appropriate knowledge in the field of agriculture, and whose moral conduct is beyond reproach. A law should prevent the transfer of land to aliens, to persons holding dual citizenship, or to persons other than 'natural persons.' An alien or a legal entity should not be able to create even leasing arrangements.

"One should not be able to pledge land property in the form of capital contribution to a business organization.

"In general, land should not be for sale, because that land is also our homeland! Its protection represents the most important public interest. For this reason we recommend that all land in the country which exceeds the intensive farming land needs of privately owned family estates should be the property of the Sacred Crown which symbolizes Hungarian statehood. On the basis of authority delegated by the Sacred Crown, every free village, as the smallest autonomous economic unit, should provide for the use of that land within the confines of their respective villages. In this way yet another basic democratic principle would be realized. Let us not assign to higher official levels what may be accomplished by smaller communities, because assignments to higher levels serves only to increase bureaucracy.

"Accordingly, in our perception, the settlement of conditions with regard to land ownership may produce a dual system of ownership in Hungary: a somewhat restricted private ownership which provides social security for families on the one hand, and a legal relationship providing for inheritable, perpetual leasing, on the other. In other words:

(a) Every Hungarian citizen residing in a village should be entitled to at least 3 hectares of arable land. Such land should be regarded as household private property which cannot be disturbed. It should be inheritable, but not divisible. It should be saleable, but only as a unit. It should not be subject to auctioning, just as tools which secure a person's livelihood are not subject to auctioning.

(b) An intensively cultivated family estate (private property) may be supplemented by an inheritable perpetual lease, one that may also be perceived as the infrastructure of an intensive farming unit. It should not be saleable, nor should it be possible to auction this property, because the real owner of such property is the Sacred Crown itself. This fact provides security to producers, a greater security than the security provided by private property. The size of land subject to perpetual lease could be as large as 40-50 hectares, depending on the demand and need for such land. An autonomous

village could establish leasing arrangements which are limited in term by virtue of public interest considerations."

#### **Hungarian Democratic Forum**

"Land should be valued on the basis of the gold crown value at the time it was contributed to a cooperative or a state farm, and the gold crown value should also serve to determine the distribution ratio of land. On this basis, persons in whose names land is registered will become the actual owners of the gold crown value.

"Commonly owned cooperative land should be used to indemnify former owners residing within the confines of the cooperative but who are no longer members of the cooperative. Such indemnification should be based on the gold crown value of the land contributed, and consistent with the status that existed on 1 January 1989. Land ownership rights of communities within settlements (parish community, mountain community, grazing association, settlement, etc.) must be returned to the former owners. The remaining, excess gold crown value and other assets must be distributed on the basis of the number of years spent in a member (or employee) relationship. Considering the fact that a few large farming units received excessive shares of national assets, this fact should be taken into consideration and adjusted on a case by case basis when redistributing such properties. Such excessive proportions of national assets were received by large farming units as a result of special connections such farming units had, and to the detriment of other farming units. This practice was enabled by the misguided, and in some instances corrupt, subsidy system. By way of state owned land cultivated by producer cooperatives, the state shall acquire an ownership share in the cooperative's joint estate.

"Land owned by state farms shall serve to indemnify persons residing within the confines of state farms, whose land was transferred for cultivation by the state farm. About 30 percent of the remaining, individually appraised land and other property shall be transferred to the employees of state farms, in proportion to the number of years spent at the state farm. Land and other assets in excess of the above-mentioned properties shall be recorded as the state's share of assets.

"The management of joint estates thus formed shall be assigned to banks independent from large plants. These banks should operate such property on the basis of assignments made by the owners, and in the interest of the owners. Property shares may be freely bought and sold, as well as inherited.

"In and of itself the transformation of farming assets in this manner does not constitute the actual parceling or distribution of such properties, because transformation pertains only to ownership, and not to the use of property. It is nevertheless an indispensable need that pieces of land have owners and values, so that within the foreseeable future a land market may evolve, and that land may be transferred so that it is best utilized. In the

interest of accomplishing this, cooperatives and state farms should pay rental fees to the owners, and the level of such fees should be determined by market conditions."

#### **Hungarian People's Party**

"There is no substitute in agriculture for the relationship between the farmer who cultivates the land on the one hand, and the land, on the other, as well as for the long-term interest that stems from this relationship. This is because every square foot of land, each plant and each animal is unique, and the climate of each year is different. Becoming familiar with these, and adaptation to these represents a force that determines the outcome of all other means and processes.

"This direct relationship is not supplemented by, but instead is enhanced by, cooperation based on the voluntary association of producers, by science, by technology, and by professional and political interest protection."

#### **Hungarian Socialist Party**

"Land ownership and land use conditions must be changed in order to develop proprietary conditions. Land must regain its century-old respect. It must be regarded as the most important part of assets, as one of the chief sources of income. The relationship between agricultural producers and the land shall once again become more closely knit.

"A significant part of cooperative farm lands constitutes common property. This fact must be accepted as reality, and the memberships of the cooperatives involved should decide what form of ownership they choose to enforce their respective interests. At the same time there is an indispensable need to strengthen the legal status of still privately owned lands in common use by cooperatives.

"In addition to protecting and appropriately utilizing arable land, the purchase and sale of farm land must be enabled; land should have value and price. Only the collective should have the authority to decide over the sale and utilization of areas owned by cooperatives. The constraints of property acquisitions should be dissolved by giving land to those who efficiently utilize it."

#### **Social Democratic Party of Hungary**

"The peasantry is very well aware of the fact that low yield land in particular must be intensively cultivated, and that it must be equipped to do so. At the time of their liquidation, peasant farms were very well equipped with useful means of production, considering the then prevailing level of technical development. The peasantry was forced to contribute these means—work animals (horses), sowing machines, plows, etc.—to producer cooperatives, in which those means of production were destroyed. There are no appropriate tools and machinery suitable for small plant agricultural production which could replace these, the kinds of tools and machinery

used by West European farmers for the modern cultivation of their land. Machinery held by producer cooperatives is suitable for large scale agricultural production, and is inappropriate for small farming. If land were to be returned to peasants, they would not be able to cultivate their lands because they lack the appropriate tools and machinery, and not because they are devoid of an entrepreneurial spirit. A bank should be established, first of all, to support a new start for peasants and the descendants of peasants who were defrauded and deprived of everything, but at the same time this bank should also finance viable large agricultural plants."

### Alliance of Free Democrats

"The agricultural entrepreneurial field cannot become sufficiently open, the circle of agricultural entrepreneurs cannot expand sufficiently, and a sufficient number of mutually competitive alternative production processes and a cooperative system cannot evolve unless proprietary conditions supportive of monopolistic roles are not changed. The changing of proprietary conditions must simultaneously serve the following purposes:

- To find the real (ultimate, primary) owners of presently communal (cooperative) property, and to restore the ownership rights of these real owners;

- To establish opportunities for the emergence of new persons interested in agricultural production and for unrestricted economic growth by establishing an institutional order for changing ownership, by providing a capital fund to support agriculture, and by establishing a land market.

"As the basic principle for change we agree with the idea that it is useful and necessary to use the existing agricultural enterprise forms as our starting point, because:

- The bulk of today's cooperatives possess cultural and self-governing traditions that are acceptable today, as well as certain foundations for ownership rights which render cooperatives as suitable means to accomplish change;

- It is necessary to establish interest and cooperation on the part of enterprises in the process of transformation.

"Accordingly, it is not our intention to liquidate large agricultural plants through administrative means, and we do not advocate the redistribution of land. The distribution of common property presently owned by enterprises does not mean that in-kind assets (land, buildings, machinery, work tools) should be distributed, even though this possibility must not be ruled out. (The optimum redistribution of assets could take place in the form of securities.)"

### 'Off-Campus' Banking School Offering British Diploma

25000509B Budapest FIGYELO in Hungarian  
19 Oct 89 p 8

[Interview with Zoltan Tompe, managing director of Szamalk Open Business School, by Zoltan Meixner: "Hungarian School—British Diploma: Banker's Off-Campus Education"]

[Text] With British participation, Szamalk has established the Szamalk Open Business School [OBS] limited liability corporation [Kft]. The mixed nationality enterprise is an information company; it offers training based on internationally recognized educational material. Soon to start is their first venture which enables the acquisition of a British "banker's diploma." We asked Zoltan Tompe, the corporation's managing director, about details.

[FIGYELO] You are offering off-campus education to your students. What is the meaning of the term "off-campus"?

[Tompe] The educational system that has prevailed for many centuries requires students to sit in classrooms and teachers to lecture up front. In the framework of off-campus education the live presentation is replaced by some technical medium, such as audio or video cassettes, computerized programs, radio and television programs, and some books. Off-campus studies do not fully eliminate some personal relationship between students and teachers. Regular, personal consultations are needed. Conversation, the in-depth analysis of educational materials, the discussion of parts of materials not fully clarified, communications, in other words, practicing the recital and application of knowledge acquired is the essence of these consultations. Individual learning of factual matters with the help of modern media is far more effective than classroom presentations.

Incidentally, university diplomas may be acquired this way in an increasing number of countries throughout the world. The greatest advantage of off-campus education is that it adapts best to individual aptitudes. The same material may be learned by some in 6 days, and in 6 months by others. Learning attitude, motivation, is perhaps more important than individual aptitude. In the traditional Hungarian closed educational structure, a person once admitted to a university generally could not be "saved" from receiving a diploma. In general, there are no admission exams in the framework of open off-campus education, nevertheless, one must comply with the tough criteria for obtaining a diploma. Those who examine the students observe only the level of knowledge the candidate has, and it makes no difference from where, when, and in what period of time that knowledge was acquired.

[FIGYELO] At this point you signaled to your future students that it would be possible to acquire a British banking diploma. How much is that paper going to be worth?

[Tompe] The first such course will prepare students to acquire the internationally recognized, therefore valuable diploma issued by The Chartered Institute of Bankers of London. (It is called the International Banking Diploma.) We are organizing this program jointly with the Hungarian-French International Banker's Training Corporation, Inc. We purchased the original educational material, and we also have the study plan and the questions asked at examinations in recent years. The admission criteria to this course are as follows: a diploma from the university of economics or from an academy, at the minimum a fair knowledge of the English language, and a permanent workplace, preferably in the financial field. Learning takes place individually, at home, in free time, as well as in the course of everyday work. We do not remove our students from the work they are used to performing. Moreover, it is an essential element of our educational method to encourage students to compare what they have learned with their everyday practice.

[FIGYELO] How much time does this educational system require from students in addition to their work?

[Tompe] In given situations students would work 4 days a week, and we would offer a full day of consultation. In the course of small group (10-12 persons) consultations, the teacher provides advice regarding individual studies, answers questions, conducts debate, and the students may discuss among themselves what they learned. We are also providing an opportunity for individual consultations in person or by telephone. On consultation days, half the time is spent on the specialized subject matter, the other half on teaching English business terminology.

This is a 2-year course, the duration of a school year is 30 weeks. Students receive the first year's text both in English and in Hungarian. A greater emphasis is placed on language skills during the first year. All second year material is provided in the English language, and we endeavor to use the English language in the course of consultations. At the end of the second year the exam is taken before a British board of examiners.

Following the successful completion of eight examinations the student will be accepted as a member of The Chartered Institute of Bankers, and receives the International Banking Diploma. The eight subjects are as follows: banking law, the financial affairs of the economy, accounting, the practice of international banking law, the nature of management, the financial aspects of international trade, international banking transactions, and international finance and investment.

At the end of both years students take their examinations in the Hungarian language, and receive a certificate issued by the International Banker's Training Corporation, Inc., and by Szamalk OBS. An examination need

not be taken in all subjects; we will also issue certificates in individual subjects. But whoever wishes to receive the international bankers' diploma must be examined by the British board in all eight subjects.

[FIGYELO] And who will be teaching? Will you perhaps invite guest professors from England?

[Tompe] Fortunately, the Banker's Training Corporation has teachers capable of providing professional direction to the course consistent with international standards. Each subject is presented by a professional with several years of Western banking experience, and with diplomas acquired abroad.

[FIGYELO] When are you going to start?

[Tompe] We announced the course in late August, we expect to receive registrations until the end of October, and we plan to begin training during the first week of November.

### **Social Security, Pension Reserves Debated**

*25000512F Budapest FIGYELO in Hungarian  
19 Oct 89 p 6*

[Article by Istvan Farkas, former government commissioner and present deputy finance minister: "Debate on Social Security: How Far Do Reserve Assets Reach?" first paragraph is FIGYELO introduction]

[Text] Not too long ago the author of this article served as government commissioner for Social Security. He submitted the following remarks in his capacity as deputy minister of finance, however. He disputes several aspects of Peter Bod's article (FIGYELO No 40) which opened the debate, nevertheless acknowledging that the main idea reflected in Bod's article is correct.

While I fully agree that the emergence of the distributing-levying system was necessary not only because of the vanishing foundations of the expectancy coverage but also because of changes in social security philosophy, I do not feel that the problem could be narrowed down purely to the operating efficiency of reserve assets. I believe that the issue pertains not only to the fact that the income earned by the segregated reserve assets deviates in its trend and average from the average income earned by investments made in the national economy. After all, one must agree that there cannot be large differences. Instead, the issue also involves the medium in which the social security system is being "organized."

In my view the greatest concern in the past was that social security became integrated with the public expenditures of the state, that it was based on the basic principle that the income produced by the economy (the return on national assets which represents the reserve fund for the distributing-levying system, if you will,) would rapidly and consistently expand, and that one could make long-term commitments against these revenues without limitations. Accordingly, the system was

missing the long-term approach, and this is an indispensable condition for any social security system, irrespective of the method of financing. Accordingly, my argument with the author pertains not to the issue of whether reserve assets in the framework of the form of financing being used exist implicitly, but whether those reserve assets will be sufficient, considering the fact that this was not considered when commitments were made. (In simplified terms, the sum of between 150 billion and 170 billion forints presently needed to make pension payments equals a 10-percent return on 1,500 billion forints of capital, while the net value of fixed assets held by business organizations does not reach the level of 1,400 billion forints.)

Insofar as financing is concerned, a modern social security system must be built fundamentally on the distributing-levying system—which is implicitly closely related to the profitability of reserve assets, i.e. the efficiency of the national economy, of course—nevertheless such systems must also have segregated reserve assets. This is because the volume of social security payments is substantially influenced by the demographic situation. The incremental cost effects of the demographic situation must not be financed, or at least it is not appropriate to finance these, from the current year's revenues.

The latter, segregated reserve must not mean the restoration of the expectancy coverage system of course, nevertheless it is obvious that in determining the sources and size of such segregated reserves, the implicit reserves mentioned by the author must be taken into consideration.

I agree with, and can only reinforce the idea that the social security system must be cleansed functionally, and various service provisions must be managed on the basis of the various branches. This is an elementary condition for enabling long-term planning with regard to social security.

It is a peculiar contradiction in the article that while the author enumerates the various financing alternatives in a logical fashion, in my view he deems changes in the pension system and the principles of insurance to be offensive. The sad fact of these days is that while pension expenses are significantly increasing, the individual life situation of the recipients is deteriorating in tragic proportions. This contradiction may be traced to the fact that our pension system is not responsive to insurance principles, and the pension system must be adjusted by all means to the opportunities available in the framework of social security.

It is indeed true that in the course of the past decades a registration system which could produce data required under an insurance conception, has become old. The registration system, just as an autonomous social security system, and the separation of insurance branches must be established within a certain deadline. I would like to add, however, that under the surface, which the author regards as being frequently covered with a smoke

screen, work that is similar to the author's logic goes on. Lowering pensions is not the only purpose of that work. Decency demands that we clearly state: Unless we take rational steps with regard to pensions, we will be faced with an impossible situation in the near future. Not only from the standpoint of resources from which to finance pension expenditures, but mainly because the above-mentioned paradox is becoming increasingly pronounced: the fact that an apparently high pension in the beginning may lose as much as half of its worth within a few years.

### **Worsening Railroad Conditions, Performance Reported**

*25000509D Budapest NEPSZABADSAG in Hungarian  
25 Oct 89 p 8*

[Text] The Hungarian State Railroads [MAV] transport 44 percent of the passengers, 52 percent of the freight, and almost 90 percent of export and import shipments in Hungary. All this is accomplished under increasingly poor technical and economic conditions. The necessary postponement of eliminations and replacement manifests itself in the condition of tracks, railroad stations, rolling stock, and repair plants. MAV may count on decreasing resources of its own, and on reduced budgetary subsidies. And although demand for transportation has declined, MAV will not be able to satisfy even the reduced demand during the next 2 to 3 years.

Already at the beginning of the 5-year plan period MAV was able to count on 23 percent less replacement and investment possibilities than in the previous plan cycle. In reality the reduction was even greater. At present the need calls for a 15-billion-forint developmental resource, and a 13-billion-forint maintenance budget in order to halt deterioration. In contrast, in 1989 only 7.4 billion and 10.8 billion forints were made available in these two expense categories. These amounts do not even permit the preservation of existing conditions.

Operating costs have increased as a result of deteriorating technical conditions; the increasing amount of inoperative equipment substantially increases individual maintenance costs, as well as the intensity of demand for live work, which in turn presents multiple concerns in the area of work force management.

Characteristic of track conditions is the fact that by the end of 1988 the track usability ratio has dropped below 25 percent. The average life of tracks has exceeded 25 years, which may be regarded as a maximum, and 10 percent of the track is more than 60 years old. Due to their age, the tracks cannot carry a full load, and are capable of accommodating only slower traffic. Tracks that are part of the main European network should be able to accommodate a speed of 160 km per hour and 22.5 tons of axle load according to international agreements. In contrast, Hungarian tracks are capable of accommodating a 100-km-per-hour speed at most, and a 10-ton axle load.



The idea of discontinuing some 3,300 km of secondary track in the interest of improving MAV's financial condition has occurred, because the 1987 deficit incurred on secondary lines came close to 2.1 billion forints. Discontinuation of secondary lines, however, would shift a burden of such magnitude on public roads that the increased burden would further deteriorate the budget situation. If secondary lines were to be eliminated, the cost of improvements to be made on public roads would cost at least as much, or more, than railroad renewal work.

The rolling stock is in no better condition than the network itself. The engines have aged, some 300-350 vehicles should be purchased in order to maintain transportation capacities. Only half that quantity may be purchased, at most. At the same time the necessary, continued operation of towing engines ripe for elimination can be achieved only as a result of huge additional expenditures and labor. For all these reasons the qualitative indexes of passenger and cargo transportation continue to deteriorate, increasing the costs of maintenance and operations. Due to the miserable condition of freight cars, work involving the selection of freight cars is on the increase. There are more empty runs, more railroad yard work, and in general, more movements which do not produce revenues. MAV railroad cars are rejected at border stations with increasing frequency. Such rejections disturb export transactions.

The state budget should assume a larger part in financing MAV in order to increase the railroad's operating and management security, and in order for the railroad to satisfy the demand for passenger and cargo transportation. The role of international relations in Hungary's economy underscores this need.

#### **West German Joint Banking Enterprise Formed**

*25000499B Budapest HETI VILAGGAZDASAG  
in Hungarian 14 Oct 89 p 8*

[Text] Founding documents were signed in Budapest last week for a joint Hungarian-West German bank headquartered in Frankfurt with an initial capital of 40 million West German marks. Forty percent of the Deutsche-Ungarische Bank AG (DU Bank) stock is held by the Hungarian National Bank (MNB), and 15 percent is held by the Hungarian Foreign Trade Bank (MKB). Thirty percent of the remaining stock is held by the West German Deutsche Genossenschaftsbank AG, and 15 percent by the BHF Bank of Frankfurt. The DU Bank is to begin operations next spring. It will have general authority to perform all banking functions under West German law. Its clientele is likely to include primarily Hungarian mixed nationality enterprises operating in the Federal Republic of Germany and other firms interested in Hungarian-West German business relations. The founders hope that the bank will be able to explore business opportunities offered by the fact that Frankfurt is an international money market. DU Bank is the third

bank headquartered abroad in which Hungary participates. The other two are the Vienna-based Central Wechsel- und Creditbank AG owned by the MNB, and the London-based Hungarian International Bank jointly owned by the MNB, the National Savings Bank [OTP], the MKB, and the Central Wechsel- und Creditbank to an extent of 60, 15, 15, and 10 percent respectively.

#### **SZOT, Clergy Hold Discussions**

*25000502C Budapest NEPSZAVA in Hungarian  
19 Oct 89 pp 1, 5*

[Text] On 17 October 1989, leaders of Hungarian churches and religious denominations, and of the National Federation of Trade Unions [SZOT], met. The Churches and religious denominations were represented by Bishop Karoly Toth, chairman of the Ecumenical Council of Hungarian Churches; Dr Janos Fabian, chief canon of the Roman Catholic Church; Dr Bishop Janos Huszti of the Unitarian Church; Reformed Church Bishop Dr Elemer Kocsis; Evangelical Church Bishop Dr Gyula Nagy; chief rabbi Dr Alfred Schoner of the Jewish denomination; and Dr Janos Viczian, chairman of the Baptist Church. Executive Secretary Sandor Nagy, secretaries Pal Csikos and Ferenc Szalay, division heads Attila Balint, Sandor Csintalan, and Attila Hajdu, and Deputy Division Head Mrs Istvan Zalai were present on SZOT's behalf.

Participants at the meeting established the fact that Hungarian church, denominational, and trade union activities are guided by the idea of serving their faithful and their membership, and by a sense of responsibility for the Hungarian people and the nation, even though these organizations follow different paths and pursue different objectives. In this tense situation, full of expectations, churches, religious denominations, and trade unions consider it their calling to ensure that changes are realized under peaceful circumstances, with the avoidance of extreme situations that would be catastrophic from the nation's standpoint. This is based on the historical past and traditions of these organizations. While respecting the faith, outlook, and ideals of their members, these organizations are prepared and are able to find social problems and concerns which can be resolved through joint efforts in the interest of the happiness and peaceful future of their constituencies.

Participants at the meeting regarded the strengthening of the chances of the evolving democracy, the spread of standards of moral conduct, social cooperation, and firm action against any form of discrimination regardless of gender, race, and outlook to be important areas of cooperation.

Those present declared their intent to cooperate in the future with regard to social upbringing, the preparation of proposals for the development of social care and service deliveries, the resolution of problems experienced by those who live on small pensions, by large families, and by youth, and uplifting the fallen, as well as those who would perish in the absence of support.



The participants decided to establish expert groups for the development of specific forms of cooperation.

### **Loan Fund for Innovation and Development Established**

25000509A Budapest FIGYELO in Hungarian  
19 Oct 89 p 10

[Unattributed article: "Attention Small Entrepreneurs! More Than Half a Billion Forints Loan Fund for Innovation"]

[Text] To support the activities of small and medium-sized enterprises, the National Technical Development Committee [OMFB] established a several hundred million-forint risk fund some time ago, managed by three financial institutions. In addition, OMFB found it necessary to stimulate and support innovation more forcefully and on a broader scale so that production by both old and new enterprises would take place by taking advantage of the highest possible level of technology.

The OMFB has prepared a program to support the innovative activities of small and medium-sized enterprises (FIGYELO No 37, 1989 "Tangible Innovation"). As part of that program the OMFB has reached an agreement with eight banks to provide innovation loans to enterprises the banks regard as credit worthy (the usual money market conditions). At the same time the OMFB would commit itself to pay for a significant part—50 percent on the average—of the interest payable on technical development loans. Such payments would be made from the central technical development fund which OMFB administers.

Regardless of their ownership form and line of business, entrepreneurial undertakings with more than 100 employees have access to these preferred loans.

OMFB also provides loan guarantees, but only in exceptional cases when an initiative promises great results and serves the people's economy interest.

One may apply for innovation loans at the following banks: Agrobank, Inc., Budapest Bank, Inc., Investbank, Inc., Industry Bank, Inc., Industrial Development Bank, Inc., Hungarian Credit Bank, Inc. Istvan Szechenyi Directorate, and National Commercial and Credit Bank, Inc.

The banks agree to make loans up to a combined total amount of about 500 million forints. In addition, the OMFB will provides loans amounting to 185 million forints from its own funds.

Loan applications should be submitted directly to the banks. They will be evaluated at the banks from the standpoint of whether the purpose of the application corresponds with the purposes of innovative technical development. In each instance the banks will request comments from OMFB.

The first of several management consulting firms advising with regard to innovation will begin to function shortly. These organizations will be established and operated with OMFB support throughout the country. Anyone interested in innovative or technical development may seek their advice and assistance.

### **Year-to-Date Positive Trade Balance Analyzed**

25000509C Budapest FIGYELO in Hungarian  
19 Oct 89 p 10

[Unattributed article: "What a Number Stands For"]

[Text] According to the Central Statistical Office August report, between January and August 1989 a trade surplus of \$113 million (7.3 billion forints) was recorded this year, as compared to a \$54 million trade surplus during the same period last year. The factors that created this surplus are noteworthy.

Imports from economically developed countries—which represent the largest part of transactions—increased by 37.2 billion forints, while exports exceeded the previous year's level by 33.3 billion forints. In a manner similar to last year, this trade produced a negative balance, with the January-August deficit amounting to almost \$200 million (more than 11 billion forints).

In the framework of trade with socialist countries subject to settlement in convertible currencies, imports increased by 4.3 billion forints, while export transactions increased by 8.3 billion forints over last year's levels. Consequently, during the first 8-month period a surplus representing about \$184 million (10.8 billion forints) was accrued.

Convertible currency imports from developing countries increased by 0.4 billion forints, while exports increased by 4.5 billion forints. In the framework of these relations Hungary achieved a \$127 million (7.5 billion forint) trade surplus.

In combining the trade balances relative to the three groups of countries, one finds that along with a somewhat more moderate increase in exports as compared to imports, an export surplus of about \$113 million was created as a result of improved exchange ratios.

## **POLAND**

### **Igloopol: Overcoming Privatization Hurdles, Ownership Issues**

90EP0087A Warsaw PRZEGLAD TYGODNIOWY  
in Polish No 41, 8 Oct 89 p 5

[Article by Leszek Konarski: "Debica, Inc: The Concept of 'People's Capitalism' Is yet To Be Defined"]

[Text] In Debica two economic organisms are operating side by side: the newly formed Igloopol United Plants, Inc., and the disbanded Agricultural-Industrial Combine

also bearing the name Igloopol. The recent press communique about the stoppage of the credit line for Igloopol, Inc. concerned instead, of course, the Agricultural-Industrial Combine and on the following day the Bank of the Food Industry in Warsaw had to publish a rectification. It is a most normal thing for a bank to block its credit line for an enterprise that is shut down. At the same time, it was an oversight on the part of the new corporation to delay opening its own bank account. This oversight has now been corrected, and since the last few days Igloopol, Inc., has its account at the Bank of the Food Industry.

Although the entire workforce of Igloopol has expressed through its representatives agreement to the incorporation of the enterprise, a majority of the employees had thought that it would come of itself, naturally and imperceptibly. Few people realized that, for something new to arise, it is first necessary to remove the old and, on that occasion, everyone had to receive a notice of dismissal.

The strongest protests came from the two trade unions, which claimed that the change in mode of ownership did not require personnel dismissals. The plant committee of NSZZ Solidarity appealed to all employees for suing individually against the dismissals.

On its bulletin boards Solidarity posted a sample court petition. All that is needed is a personal signature. Reason for the appeal: "The circumstances of the change in the plaque from a state enterprise to a joint-stock company are of no legal significance considering that the workplace itself is not at all being shut down."

The unionists fear that not all the employees of the former Combine will find employment in the new company, and in this respect they are partly right.

As known, Igloopol, Inc., will not set aside even one salaried post for any party, trade-union, or youth-organization officials. The participants in the General Meeting of Shareholders adopted with only one abstention a decision to depoliticize work time.

"That resolution stirred many emotions," said Edward Brzostowski, the chairman of the new corporation, former director of Igloopol Combine and former deputy minister of agriculture. "The trade unionists came to me and referred to the Trade-Union Decree. I am aware of it, too. But that decree applies only to state enterprises and plants, whereas our company is based on the 1934 Commercial Law Code and, in accordance with its statute, its purpose is to improve the material conditions of shareholders. In return for better work rather than just for punching the time clock, the conditions should be better. So then, who would agree to paying salaries [to useless mouths]?"

The heads of the new corporation are not opposed to the existence of the party organization, both trade unions, or the ZSMP [Union of Socialist Polish Youth] at Igloopol,

provided that these pay the salaries of their representatives at Igloopol from their own dues or other sources. The resolution to depoliticize work time is also linked to a prohibition against any political meetings during work time. This also applies to trade-union activities. At present, moreover, all political slogans, both those of the PZPR and those of Solidarity, are being removed from the premises of discrete departments of Igloopol. Job dismissals also were extended to professional members of the Igloopol People's Sports Club, including boxers and soccer players.

I visited both the Voivodship Branch of the Bank of the Food Industry in Tarnow and the Tarnow Office of the State Internal Revenue to learn the actual circumstances of the shutdown of Igloopol as a state enterprise, since they received so much press publicity. From all the materials presented it ensues that the enterprise's financial and economic performance was very good. Its indebtedness, amounting to 59 billion zlotys, which was taken over in its entirety by the new corporation, is not so huge compared with its volume of sales.

"Igloopol as our client is a good enterprise," said the Director of the Tarnow Voivodship Branch of the Bank of the Food Industry Kazimierz Piwowarczyk. "It has always been creditworthy. For this year the Combine had planned a 25.2-percent growth rate, that is, very high growth."

"I consider Igloopol's activities to be very useful," the Director of the Tarnow Office of the State Internal Revenue Julian Gruchala told me, "although I personally believe that the future corporation should focus more on agricultural and agricultural-food production. For it is extremely difficult to manage an enterprise with so many branches which operates its own plants over such an extensive area of this country."

The Igloopol concern has grown so much because Brzostowski was an expert at exploiting the until recently binding financial system. As soon as Igloopol came into the ownership of 10,000 hectares of land, Brzostowski changed its name from that of an industrial-agricultural combine to an agricultural-industrial combine and thereby the enterprise became classified as an agricultural one, that is, as an equal of the PGR [State Farms]. This had happened one year before he assumed the portfolio of deputy minister. "It is untrue that I always exploited my official post," he said.

But it is true that Igloopol, since 1982 an agricultural enterprise, paid no tax on its industrial operations and, moreover, it availed itself of the wage-fund tax relief granted to agricultural enterprises. Yet, its purely agricultural output did not exceed 15 percent. The issue of that tax relief is now being harped upon by certain Sejm deputies and senators as well as by [Solidarity's] GAZETA WYBORCZA.

"In fact, by receiving equal treatment on par with State Farms, during 1982-89 we saved altogether about 18 billion zlotys in income taxes," Edward Brzostowski

admitted. "But during the same period we took over 200 state farms whose aggregate debt amounted to 8 billion zlotys. We not only paid for them that 8 billion zlotys but also, in order to salvage them, we invested 22 billion in them. Altogether, during that period, we invested 30 billion zlotys in agriculture. Thus, is it reprehensible that we made money from manufacturing operations in order to finance agricultural operations?"

Another emotion-stirring issue is the huge subsidies which the state paid Igloopol for the production of feeds, meat, etc. The Combine benefited from these subsidies on the same principles as state and cooperative farms. Any producer whatsoever of meat or bakery goods for the market was entitled to state subsidies. In the case of Igloopol these subsidies were huge.

But if the combine performed so well as a state enterprise, why was it necessary to convert it to a joint-stock company?

"At the outset we too asked ourselves this question," Director Kazimierz Piwowarczyk of the Tarnow Branch of the Bank of the Food Industry told me. "We began to believe that this concerns making the employees more interested in their work. Now they will be partners, shareholders, responsible for the fate of the capital they own."

The personnel of the Tarnow Office of the State Internal Revenue have some reservations, not so much about the transfer of state-owned assets to a corporation as about the method of that transfer.

"In my opinion, a thorough inventory should first be taken," said Director of Internal Revenue Office Julian Gruchala, "and everything should be appraised in terms of actual prices, and only thereupon should the lease agreement between the State Treasury and the new company be signed. At the same time, however, taking such an inventory is not a simple matter for such a large enterprise that operates its own plants nationwide and that, moreover, has not yet completed its balance sheet for the first half of the year."

The Tarnow Internal Revenue Office has already on file a signed copy of the lease agreement. The assets of the dissolved combine have been subjected to a preliminary appraisal according to the documents on hand, and a thorough inventory will be carried out and recorded in an appendix to that agreement. Under the agreement, the company will take over the 59-billion-zloty debt of the combine. The lease fee will augment the State Treasury assets owned by the company. This also applies to the dividends from profits.

"In our area this is so far the only example of the formation of a joint-stock company by leasing assets of the state," said Deputy Director of the Tarnow Internal Revenue Office Jadwiga Woskowicz. "So far as the Internal Revenue is concerned, the State Treasury can

only gain from this change. Previously Igloopol paid no income tax, and it paid only a 2.5-percent wage fund tax. Now it will have to pay us an income tax of 40 percent and a wage fund tax of 20 percent. The joint-stock company will receive the same treatment as any other enterprise. But nothing will change so far as state subsidies for food and feeds are concerned—all sectors will receive equal treatment in this respect, regardless of whether they are state, private, or joint-stock; they all will receive the same subsidy."

Thus a new mode of ownership, known throughout the world as employee ownership, is being formed in Debica. According to POLITYKA of 9 September 10,000 enterprises of this kind, in which shares are held by 11 million people, already are operating in the United States. The French term this mode of ownership "people's capitalism."

Thus so far as a model is concerned, everything is OK. The only snag is how to define the term "people's." The share capital of Igloopol, Inc., was fixed at 14 billion zlotys as distributed over 280,000 shares with a par value of 50,000 zlotys each. Individuals (including Igloopol's employees) have purchased barely 42,000 shares, or 15 percent, and this includes the director of the combine, who bought 80 shares for 4 million zlotys. The Igloopol LKS also purchased 42,000 shares. But what about the rest?

Fifteen percent of the shares was bought by the Transakcja Trading and Service Enterprise of Warsaw, in which shares are held by the Prasa-Ksiazka-Ruch Workers Publishing Cooperative and the Academy of Social Sciences under the PZPR Central Committee. The Rural Youth Union purchased 2,800 shares. Other shareholders include several mutations of "Agrotechnika" operating as a "rear echelon" of the Rural Youth Union.

Lastly, there is the most intriguing issue: about one-third of the shares was purchased by the former Igloopol Combine on the principle that its assets are to be leased by the new company from the State Treasury. The director of the Tarnow Internal Revenue Office is right: the signing of the lease agreement should be preceded by a detailed inventory and a realistic appraisal of the assets. Otherwise, it will be difficult to rebut the accusation of "propriety of the nomenklatura" [meaning that the party elite are profiting from the privatization drive]. The way things are, it looks like access to the shares is restricted to politically and administratively privileged individuals.

Recently, Deputy Premier and Minister of Agriculture Czeslaw Janicki announced, "Decisions have already been taken to carry out a thorough audit in Debica in order to investigate the economic and financial performance of that enterprise as well as the legality of its actions." The findings of that audit should shed conclusive light on the disputes about Igloopol.

## GERMAN DEMOCRATIC REPUBLIC

### Health Minister on Basic Health Services, Nutrition

90EG0031A Dresden SAECHSISCHE ZEITUNG  
in German 28 Sep 89 p 3

[Summary of Speech by Minister of Health Professor Klaus Thielmann: "Protecting Health"; date and place of speech not given]

[Text] In his speech, Minister of Health Prof Klaus Thielmann pointed out that these days all across our country commemorations of our 40-year history are being held. The outstanding result of the great communal efforts of generations that have played a part in the building of our country, and in its development into a modern Socialist industrialized nation is the contribution the GDR has made to securing the peace in Europe and the world.

He said it was an incontrovertible basic truth that our society will continue to fight passionately for the first human freedom, the right to live in peace. He said that it was the physicians and their colleagues in the field of medicine who would continue to live up to their grave responsibility in all earnestness. Their work in the International Association of Physicians Against Nuclear War provided eloquent proof of this fact.

He said it was in keeping with the humanistic character of a Socialist society that the protection of health was an inseparable component of our social strategy, and its attainment is the paramount concern of the entire society. He said the principal priorities inherent in our social order would provide a good basis for achieving these goals. He stressed the fact that indeed these basic conditions could not become a reality of their own accord. For this reason, he said, the conference would deliberate on questions that extended far beyond the immediate purview of health and social issues; it would challenge vast segments of our society and touch every citizen of the GDR.

In what followed, the minister of health gave an accounting of what has already been achieved in the area of protecting health. In particular, he said, the time since the Eighth Party Congress was characteristic of the GDR's goal-oriented social policies. Since then, in a step-by-step fashion, the most far-reaching program of social policies that was ever undertaken on German soil has been brought to fruition, he said, as a result of which, living conditions for 9.8 million citizens have been improved.

The program of social policies means equal educational opportunities for all, stable consumer prices for staples, as well as for rents, rate schedules, and services, increasing real income for the people, increased opportunities to participate in cultural activities, and a wide variety of leisure activities. These factors in themselves,

which exert a salutary influence on peoples' living conditions, on their health, well-being, and their capacity for achievement, confirm the assertion that the Party's social policies are, at one and the same time policies that foster health in their entirety.

### Guaranteed in the Constitution and Practiced Every Day

The minister said that the protection of health in our country was a human right that was constitutionally-guaranteed and practiced every day, a primary concern of our social policies. Concern for health, for physical and psychological well-being of human beings is thus a particularly important component of the GDR's social policies. Once again, at the 11th Party Congress of the SED [Socialist Unity Party of Germany] new and challenging tasks were decided upon. Chief among these was expanding work in the fields of health and social work that would concentrate on basic care and prophylactic measures to protect health as an expression of our total social commitment.

The citizens of the GDR are cared for at the present time by nearly 55,000 physicians and dentists. Thus, we have at our disposal a high degree of medical and dental care, even when our care is compared with that of other nations, the minister said. The network of polyclinics, out-patient facilities, State-run doctors' and dental offices, as well as municipal nursing stations and in-plant health care facilities was expanded. Facilities such as the Charite, the university clinics in Halle, Jena, and Erfurt, as well as district and county hospitals, were either renovated or rebuilt from the ground up. He said that in the coming years, construction projects involving older clinics and county hospitals would increasingly become a part of Central Planning, as would university clinics and institutes, and local expenditures for maintaining health care facilities, particularly as a result of the conclusion of communal agreements. Gaps that still existed, particularly in the area of new construction, would gradually be closed. At the present time, 586,000 people are employed in the fields of health care and social services. That represents 6.7 percent of the work force of the GDR.

The minister said that from year to year the funding allotted to the fields of health and social services from the State budget had increased. In each case, the increase was greater than the increase in national revenues. He said at present 10 percent of the national revenues were being spent on health care and social services.

Of course, he said, every bit of progress in the social sector had to be dearly paid for in terms of great accomplishments on the part of the GDR's political economy. Those employed in the fields of health and social services in the GDR were no exception to this requirement. Under conditions that were often complicated, and with a high degree of personal dedication, they fulfilled their duties in the service of mankind every day.

### A Good Physician Never Deserts His Patients

The minister praised the self-sacrificing and tireless efforts of the vast majority of physicians, dentists, nurses, and all others who work in the fields of health and social services, who dedicate all their energies to further improving the quality of medical care and social services the citizens receive. He said they deserve the respect and trust of our people, and he said it was our collective desire that these sentiments be expressed to them in a manner that could be recognized. He went on to say that if, in a few cases, physicians and other health care providers, and providers of social services left the country and the people entrusted to their care, this was a serious breach of the principles of professional ethics, regardless of the arguments that might be advanced to justify it. A good physician does not desert his patients, Prof Thielmann stressed. And he said that one's conduct with regard to this issue was a criterion [in the measurement] of one's humanity.

In the remarks that followed, the minister turned his attention to basic medical care. This included approximately 80 percent of all medical services in the areas of prophylaxis, diagnostics, treatment, and rehabilitation, and these services are available in every county of the GDR.

He said that in the case of expanding basic out-patient care, for example, the establishment of early morning, late evening, and Saturday hours of consultation at the polyclinics and out-patient facilities had proven its value.

The minister reported that the accomplishments of the hospitals had steadily improved. He did have to report, however, that particularly in the large cities and densely-populated areas, it was not always possible to overcome long registration procedures, long waiting periods, or frequent rotation of physicians. He referred to the necessity of making modern medical technology available, which is an important prerequisite for higher quality and a higher degree of effectiveness in health care. Prof Thielmann said it was a great challenge that was directed at the fields of medical technology, micro-electronics, and at the precision optics industries, but at the same time, he thought it was an area of development that promised a great deal of success in terms of the future industrial character of the GDR, which is in keeping with a long tradition.

Regarding life expectancy, Prof Thielmann reported that at the present time, it was 70 for men and 76 for women. He said that that represented a gain of 2.6 years for women since 1970, but a gain of only 1.7 years for men. Since 1970, infant mortality rates had declined from 18.5 per thousand live births to 8.1 per thousand as of 1988. Infectious diseases, such as diphtheria, infantile paralysis, and tetanus, which had once been so greatly feared, were either eliminated, or they had been greatly reduced. He said that there had not been a case of infantile paralysis in the GDR since 1963.

The minister said that as the developed, Socialist society in the GDR expanded, the fields of health care, social services, and medical science in our country would be confronted by new tasks. In the first instance, he said, the state of health, well-being, and the ability of the citizens of the GDR had to be improved further. In the second place, he said, energetic measures were called for to prevent premature death more effectively, and to increase life expectancy. In keeping with the goals of the WHO for our region, an increase of average life expectancy to more than 75 years for both sexes by the year 2000 is the goal of the GDR. Thirdly, the quality of treatment should be improved generally, as should the results of treatment, and the quality of life of patients suffering from chronic illnesses should be improved. Fourthly, and finally, the care of older and handicapped citizens needs to be further expanded.

All these tasks require that they be addressed seriously, and with a plan. The minister of Health is thus given the task of presenting a program to the Government for the development of health and social services to the year 1995 and beyond. Work on this plan is going on at present in conjunction with the preparation of the 5-year plan for the period 1991-95.

The application of the most recent scientific knowledge and methods, said Prof Thielmann, must be combined with human warmth and a spirit of helpfulness to do justice to the high degree of commitment to medical work. Among other things, this means making oneself available for such tasks as working for a pro-citizen workshop in medical facilities. That means being open during times that are favorable for people, smooth cooperation between the physician, the nurse, the laboratory, the physiotherapy department, and the pharmacy. It means avoiding redundant examinations. A smoothly-functioning system of arranging appointments also plays a part, so that it is possible to consult a physician without long periods of time being lost in paperwork or waiting.

Of primary importance in high level improvements to basic medical care to a great degree is the expansion of family doctor's care. In this enterprise, the community nurse is an indispensable partner. The family physician is an embodiment of medicine who can provide a person, in his entire being, with advice and assistance concerning his relationship to the family and the environment. Confidence grows out of this relationship, particularly if the relationship between physician and citizen has remained stable for a long period of time.

Other tasks in the development of basic care are directed toward improving out-patient medical care in the areas of pediatrics, gynecology and obstetrics, neurology and psychology, and dental care, the minister said. He added that rapid medical assistance had to be further qualified and placed on a more effective footing. Increasing the capabilities of the hospitals and clinics as centers of diagnostics, treatment, and scientific life was also of major significance, Prof Thielmann said. That included

granting highest priority to necessary repairs and maintenance measures on buildings within the sphere of community policymaking decisions.

### **Mobilize the Entire Society to an Even Greater Degree**

The speaker then went into detail concerning the many-faceted aspects of preventive health care. He said the further configuration of prophylactic health care in all its social breadth and complexity was at issue. New measures in prophylactic health care are, in the final analysis, the result of changes in the predominant causes of disease and death that are associated in as close a way as possible with lifestyle; these changes are occurring in the GDR to no less of an extent than they are in other industrialized countries. Knowledge of medical science, developments on an international scale, and, last but by no means least, our own experience in the GDR clearly indicate that far-reaching progress in the struggle against many chronic diseases, and particularly against accidents, can be achieved by means of prophylactic measures. He said that what was at issue was a mobilization of society as a whole on behalf of a healthy lifestyle.

In the further configuration of preventive and protective health measures, the minister said three points would be the points to focus on:

1. The increase in the level of prophylactic work in the field of health itself.
2. The restructuring of working, living, and environmental conditions in such a way as to be in keeping with dynamic economic growth and to foster good health.
3. The formation of a personal lifestyle that promotes good health.

Prof Thielmann said that particularly in the area of basic medical care, it was necessary to devote oneself to a greater degree to prevention, to early detection, and to early treatment of chronic diseases, but also to devote oneself to an increasing degree to a personal lifestyle that promotes good health. One chief area continues to be, as it was in the past, the area of protecting the health of mother and child. Care in the nurseries was extended in this way.

A particular hallmark of the Socialistic health establishment in the GDR, said the minister, is the uniform and comprehensive health-protection program on behalf of the workers. This program is provided as a result of the cooperation that exists between the in-plant health facilities, factory management, the unions, and other social components, and it affords the worker a high degree of security for the protection of his health. The in-factory health establishment, with its 18,000 workers, including 3,000 physicians, should make an even more effective contribution toward promoting a healthy lifestyle among the workers, and in the early detection and treatment of chronic diseases. As an active partner, it should advise

and support the leadership of the plant or the workers' collective in the creation of healthier living and working conditions.

Prof Thielmann then turned his attention to the requirements that resulted from the interdependent relationship between the environment and the protection of health. Included among these are questions of keeping the air clean, protecting waterways, keeping damage to our forests to a minimum, all the way down to questions of noise pollution, and on to questions of hygiene with regard to foodstuffs. The State measures in terms of land preservation, environmental protection, and hygiene should, in the future as well, be supported by social activities in an effective way. Such activities could assume the form of a contest "Our cities and communities should be more beautiful—Lend a hand!" The primary goal is the beautification and cleanliness of our towns and villages, that is, measures to create and maintain order, cleanliness, and hygiene, measures to increase safety in vehicular traffic, but, to put it quite simply, measures to improve the psycho-social climate, so that the environment in which one lives plays an influential role. In all areas involving political economy, the legal hygiene requirements must be strictly enforced.

Prof Thielmann said that particularly in recent years, interest among the people of the GDR in terms of questions of protecting their health has clearly increased, together with a more responsible and more favorable lifestyle where the promotion of one's own health is concerned. He said that without a doubt, the value of physical activity and athletic activity with regard to health and the energy of the people to achieve was increasing.

### **Taking Advantage of One's Responsibility**

He stressed, however, that it was impossible to overlook the fact that not an inconsiderable portion of the population still had to be won over to the cause of regular physical activity. Doing so, however, also involved making more opportunities available, the minister said.

Prof Thielmann said there was a wide variety of foodstuffs and luxury items for consumption, and that for decades, the staple foodstuffs had been offered at stable, low prices. He said that did not mean, however, that that portion of these items that promoted good health lived up to what is required. In general, too much is eaten, too much fat is consumed, as well as too much sugar. One consequence of this is that too many of our citizens are overweight. He said the consumption of salt was also much too high. All of these factors favored the development of cardiovascular diseases, metabolic disorders, diseases of the digestive organs, and disorders of the skeletal and muscular systems. He said that the development of cancers was also promoted by a faulty diet. The minister said it was time to pay greater attention to a proper diet in the interests of the health of each individual. To this end, there should be a wider variety of health-promoting foodstuffs, which, in turn, called for a

greater variety of ideas in the areas of production and development of new foodstuffs.

An increase in the consumption of alcohol and cigarettes in the GDR is viewed as just cause for medical concern as well, said Prof Thielmann. These questions should not be minimized. Alcohol consumption that is too great has a negative impact on health in a variety of ways, and it is associated with serious social consequences. To be sure, no objections can be raised against the reasonable use of alcohol, but the minister said it was necessary to review some habits, customs, and modes of behavior. The legal requirements for the protection of children and juveniles from alcohol should be strictly observed. Violations in this area are not just minor infractions. As a result of greater efforts in the area of education, it is to be hoped that non-smoking will become a social norm to an ever-greater degree.

In conclusion, Minister Thielmann said that medical prophylaxis, restructuring living, working, and environmental conditions in ways that promote good health, as well as instilling habits that foster good health in the consciousness of the people themselves are all interconnected in many ways, and dependent upon one another in many ways. One decisive area of common effort and a major prerequisite for the further development of comprehensive protection of health lies in the further formation and consolidation of norms relating to psychosocial, interpersonal behavior that are in keeping with the humanistic requirements of a Socialistic society. That would affect living together within marriage and the family, at the workplace, where one lives, and in the area of leisure activities. Friendliness, honesty, politeness, assistance in dealing with conflicts, tolerance, and mutual respect should determine behavior in terms of the psychology of daily life.

In preparation for the 12th Party Congress of the SED, workers from all spheres of society developed creative initiatives in order to meet the new challenges squarely. Efforts aimed at protecting health and promoting it, efforts toward promoting and protecting the energies and the well-being of human beings must play an integral part in these initiatives.

## YUGOSLAVIA

### Radioactivity Report Sparks Concern, Protest

#### Question in Serbian Assembly

90EB0112A Belgrade NIN in Serbo-Croatian  
5 Nov 89 pp 21-22

[Article by Verica Rupar: "The Specter of the Truth"]

[Text] A believer with curiosity asked a theologian what God did before he created the universe, and the latter answered: "He was getting hell ready for people who ask questions like that." You are mistaken if you think that

that story has some dim connection to last week's story about the higher radiation in August. The connection is quite definite.

You have probably read that in the last session of the Chamber of Associated Labor of the Socialist Republic [SR] of Serbia Assembly delegate Jelka Miljkovic reported that radiation in August was 270-fold greater than normal and she asked what the competent departments had done with reference to that information. She also asked to be told who issues the certificate for the importation of ore with which nuclear waste is probably being smuggled, to what seaports it is coming, where it is being transshipped, and who is protecting whom when these alarming data are concealed and further measurements are discontinued.

The representatives of the government immediately went to the rostrum to explain that they needed time to check into the matter, since that was the first time they heard of the data, and they asked the delegates not to inform the public until a thorough investigation had been made. In spite of objections (recorded in the transcript), the recommendation was adopted.

Then Zivorad Djordjevic, chairman of the Republic Committee for Information, came into the separate room in which journalists listened to the session to warn the reporters once again not to publish the question of the delegate. It turned out that the embargo had arrived late for one of them. Radio Belgrade's first program had already broadcast the news of the intensified radiation recorded from 18-25 August in eastern Serbia and Belgrade.

The news "broke," and the first conjectures appeared on Sunday: perhaps nuclear waste is being stored in our country, perhaps it is even being burned, perhaps this is being done in Bor, and perhaps someone has made a bundle at the expense of our health, and there are data on this, but they do not dare to make it public. So that there would not be any "maybe," the embargo was formally broken the next day, although only in one newspaper. The question of the delegate was published in its entirety.

That was followed by official reactions. The chairman of the environmental commission of the Serbian Assembly used the session and the agenda item "Miscellaneous" to acknowledge helplessly: "I, the chairman of the Commission for Environmental Protection and Improvement, know nothing about that radiation. We are demanding full reports, although, I have heard, radiation in Belgrade was in fact 800-fold greater than normal."

Consoling? Probably about as much as the meeting held that same day in Bor. The citizens threatened to come to Belgrade unless they received an immediate confirmation that the standard poisoning with metals is not also supplemented by that other poisoning, with radiation, which is genetically disastrous. The management of the mine was not convincing enough when it issued that



confirmation. At least not that day from the rostrum. The next day, they issued the strongest assurances in the statement they issued.

On Tuesday, the Environmental Movement of Belgrade also announced a protest rally in front of the Serbian Assembly. The republic's young people demanded that the government resign, and the just created Environmental Conference in the Belgrade SAWP demanded political accountability of all those who knew of the "little Chernobyl" and who did nothing about it.

They all demanded removal of the embargo on the question of the delegate and the report on measurement of radioactivity that had been done, it was learned in Vinca.

Stonewall denials reached the very well-organized public, which itself, it turned out later, could in fact be a count in the indictment—on the same day, the 6th from the time when the question was put.

"Radioactivity did not increase," that was the essence of the joint communication of those responsible for the relevant areas in the republic government. "You can sleep peacefully," the suddenly talkative minister said—but only after the communique had been issued and only after the public had swallowed all possible suppositions.

We were told, then, that there had been no increase in radioactive radiation last year or this year that would have required special measures to protect the public. So, the communique stated, Jelka Miljkovic's data were not correct. Yet it was true that the republic Executive Council had been informed, and that by the "competent authorities," that there had been pollution with radioactive materials and that therefore on 16 August the competent authorities had formed a "nonroutine" team of experts for additional measurements (language pollution is a topic for another time). The measurements were taken on 17 and 18 August in the area of Kladovo and Donji Milanovac, and it was found "that there had been no increase of radioactivity that would require taking special safety measures." Then it was said that the measurements had been continued and were being made even today.

We single out a passage in the communique: "The authorized specialized institutions are still carrying out without interruption the program for regularly measuring radioactivity over the entire territory of the republic"—and here pay close attention—"but because inaccurate data have been presented and the public disturbed, the Executive Council of the Assembly of SR Serbia will take every legal measure through the competent authorities."

Jelka Miljkovic is protected at this moment by her immunity as a delegate. Has a threat been made to the author of the report containing data on increased radioactivity or to the newsmen who at the moment when all the doors were barricaded asked what was behind them?

There are problems beyond that. Jelka Miljkovic's insistence that all segments of the Yugoslav nuclear issue be revealed to the public is not an environmental whim at all. Everything that has been happening in connection with her questions has been revealing to us a model of socialism which has nothing to do with the promises pronounced from the political rostrum.

After all—the public could have and should have remained calm. For example, if back in August there was a detailed explanation of where the information had come from concerning the increased radioactivity, information that was acknowledged even in the denial; if instead of the conventional answer "we will study the matter," the otherwise resourceful chairman of the Executive Council Desimir Jetic had called in the competent ministers, which he did not, and during the meeting prepared an answer and presented it in decent fashion to the public; if instead of rushing to the newsmen to repeat the embargo, Zivorad Djordjevic, minister for information, had called a press conference; if they..., but they did not...we would not have gone on asking what the truth was and would not have been making private calculations as to whether we had been in Belgrade, Kladovo, or Bor at that time.

The republic government had an opportunity to honorably mark the last months of its term of office with a timely and democratic dialogue. They blew it, and they should not be reproached (all the way to their graves), since the citizens get the government they deserve. "Time is running out, signing off," as the TV master of ceremonies would say at the point when we could have learned whether in spite of the communique the competent minister did after all know what Jelka Miljkovic was talking about. And we did not learn that.

#### **Bor Citizens Demand Information**

*90EB0112B Belgrade NIN in Serbo-Croatian  
5 Nov 89 p 21*

[Article by Toma Dzadzic: "The Bor Protest"]

[Text] The citizens of this mining town were seriously disturbed by the fear that radioactivity in the atmosphere of Bor had increased several hundredfold, as had been alleged. However, the real danger of this modern pestilence has remained a complete unknown even after the environmental rally which was held in this city last Wednesday.

That enigma was precisely the reason for holding the rally at which the several hundred participants supported the proposal that among other things the embargo be removed from secret information concerning the results of these studies which the Nuclear Institute in Vinca did for the Serbian Executive Council.

If one is to judge from the Telex which one of the directors of the institute in Vinca, Dr M. Ninkovic, sent



to the competent director in Bor, B. Dunjic, on the day of the rally, one would say that everything is just as it should be:

"The results of the analysis show that the radioactivity of the samples is within the limits of the standards prescribed by the regulations...."

The uninformed person might wonder at this point if everything was really so ideally "normal," why were the official data on this made secret at all?

If the Executive Council of Serbia does not remove that ban in a week, it was said at the rally in Bor, the environmentalists of this city will come to protest in front of the Assembly of SR Serbia.

This, then, was a rally against the perpetual secrets concerning important data which affect the health of the citizen.

And in the end there remains the question: "Who Is Poisoning Us?" which was displayed on the banners of those who attended the rally of the environmentalists.

### Scientist on Findings

90EB0112C Belgrade NIN in Serbo-Croatian  
5 Nov 89 pp 22-23

[Interview with Nadezda Ajdacic, MA, of Vinca by Dragan Jovanovic: "The Statement of a Crown Witness"; date and place not given]

[Text] Nadezda Ajdacic, MA, of Vinca, it is sufficient to say, is not woman of the week, the month, or the year; whichever you choose. She is simply a woman for all time. And there have always been few such people. Both yesterday and today. Professionally competent, moral, and uncompromising in fighting for their scientific beliefs. Uncompromising to the point of touching antique heroism. Nadezda was the first to wage a crusade against the information about radioactivity from Chernobyl, and that in her own "native" Vinca, and although she was alone, she triumphed. And today, along with her only loyal collaborator, Miljenko Martic, MA, she is on the move and is already winning her battle, the battle for the survival of all of us and our descendants.

[NIN] You have devoted more than half of your working life to the problems of environmental protection, in particular to the problems of contamination with radioactive materials. What do you think about the nuclear technologies which are presenting such a threat to nature and to man within it?

[Ajdacic] Nuclear technologies are unnecessary to a country which has other opportunities for economic and cultural prosperity as our country does. But if the use of nuclear technologies is a necessity, or, put better, if it is imposed upon us by destiny, then 100 times more attention must be paid to the problems of monitoring the radioactivity of the biosphere and to protecting the

population against the harmful effect of ionizing radiation. That service for protection has become utterly worthless in our society.

[NIN] Who are all the people who had access to the results of your measurements of the elevated radioactivity between 18 and 25 August over Kladovo and Belgrade?

[Ajdacic] The immediate supervisor in the "Boris Kidric" Institute where I work. This is Dr Marko Ninkovic, the institute's director for protection against radiation and environmental protection, and his deputy Dr Ilija Plecas. And then Dr Miodrag Stojic, general director of the "Boris Kidric" Institute for Nuclear Sciences, and Ljubica Bujanic, chairwoman of the Committee for Urban Planning, Housing, and Environmental Protection, on whose verbal request these analyses were in fact done, which was also the reason why my collaborator, Miljenko Martic, MA, and I had to postpone our annual vacations.

In a meeting in the Committee for Urban Planning... on 22 August, to which I was invited, a major portion of the analyses completed up to that time were delivered; they indicated the presence of short-lived radionuclides in samples from localities in the vicinity of Kladovo as well as in precipitation analyzed as part of our regular work duties at the monitoring station at the "Boris Kidric" Institute in Vinca, which means in Belgrade as well.

A rise in the general level of activity of the sample of precipitation and the dust that settled spontaneously was indicated as part of the monitoring work in Vinca during August. But no great importance was paid to this, since the situation returned to normal the very next day. From 16 August until the 25th, when Martic and I went on vacation, the level of activity of daily samples of precipitation rose continuously, reaching a maximum in the period of 21 and 22 August.

[NIN] What is indicated by the presence of short-lived radionuclides over Kladovo and Belgrade? What was the level of contamination?

[Ajdacic] The presence of short-lived and other radionuclides of natural and artificial, i.e., man-made, origin in samples of precipitation from the vicinity of Kladovo and over Belgrade on the date of maximum contamination in August indicates an emission of radiocontaminants which in no case was of natural origin, nor did it correspond to residual activity from the contamination caused by the accident at the nuclear power plant in Chernobyl in 1986. The radioisotopes tellurium 132, iodine 132, iodine 131, and then ruthenium 103 and cerium 144 and others, in spite of the enormously high concentrations at the time of the Chernobyl contamination, could not possibly have persisted because of their nuclear characteristics. We are after all talking about short-lived isotopes.

[NIN] How do you interpret the presence of these short-lived radionuclides in the vicinity of Kladovo and over Belgrade?

[Ajdacic] I set forth my opinion in the report that was requested and which was to be submitted on 25 August to the Committee for Urban Planning.... In the conclusion of the report, I wrote: "Without going into minute analyses of the findings obtained, it certainly can be said that this case of contamination of the atmosphere involves an accident at a nuclear power plant, involving a particular type of reactor, or at a nuclear facility processing material from such a power plant. The elevated contamination of the atmosphere still persists as of 25 August."

A report containing that conclusion was delivered to the director of the OOUR Protection as a part of the official report of the "Boris Kidric" Institute in Vinca, and in my opinion it is the only relevant passage in the report of the "Boris Kidric" Institute in Vinca.

[NIN] Yet how did you come to attend that meeting of the Committee for Urban Planning?

[Ajdacic] On the suggestion of Miodrag Stojic, general director, I went to the meeting, his advice was for me not to deliver the report without consent of my immediate superior, Ninkovic, and I abided by that. Neither at the meeting itself on the insistence of Ljubica Bujanic, chairwoman of the Committee for Urban Planning, did Ninkovic allow this report to be attached to the official report of the "Boris Kidric" Institute, which in its content could serve only to embarrass this institute.

[NIN] Who attended that meeting?

[Ajdacic] The meeting was attended by the most responsible officials of the relevant republic administrations. Incidentally, the minutes showed who attended that meeting. And none of those present, when Ljubica Bujanic asked whether anyone had anything to say about the reliability of Martic's and my report, had any objections except the comment of my supervisor Ninkovic to the effect that our results would have to be scientifically verified in the "Boris Kidric" Institute. My response to Ninkovic was that at Vinca no one except Martic and I could make that scientific verification, since if there had been such a person preparation of the analysis would have been assigned to that person, rather than for Martic and me to postpone our vacations because of being assigned this duty.

[NIN] How do you interpret the public statements of our leaders and top officials in the republic administration?

[Ajdacic] This is a matter of personal ethics, and perhaps also of interests, but the entire situation inevitably reminds me of the identical behavior of the same people during the contamination caused by the nuclear accident at Chernobyl and all other cases of contamination on a larger or smaller scale when the real data have been concealed from the public. The evidence to support this

assertion is that 3.5 years after Chernobyl, the public was this week to hear for the first time the real information from those same people concerning the level of contamination of 600,000 becquerels per square meter, which is far more than the figures presented at that time.

Evasion of the truth is the common denominator of the statements made then and now by the same people, who are not aware that nature will inevitably settle accounts in a severe fashion in this sinister profiteering game being played with the health and lives of future generations.

### Areas Termed 'Mini-Chernobyl'

90EB0112D Belgrade NIN in Serbo-Croatian  
5 Nov 89 p 23

[Article by Dr Vladimir S. Ajdacic: "Our Own Mini-Chernobyl"]

[Text] The disturbing news that radioactivity over Belgrade and a portion of eastern Serbia rose significantly over a period of several days in mid-August (on 21 August total beta activity of precipitation and settled dust measured at Vinca was 3,500-fold greater than the minimal activity during that month) has once again brought to the surface the manipulation of truth in an area so sensitive as human health. Three years after Chernobyl we have had our own "mini-Chernobyl," which in some respects seems more dangerous to me than the first one. The actual Chernobyl was the result of a disastrous human error on the part of personnel, something inseparable from the relation between man and nuclear power plants (whose reliability borders on madness when life is involved), and this "mini-Chernobyl" of ours provides sufficient grounds for us to believe that it is the product of deliberate human activity—the dumping of radioactive material into open space or the burning of ore containing nuclear waste.

In their report, the scientific associates of the Group for Study of the Biosphere of the "Boris Kidric" Institute for Nuclear Sciences in Vinca called the attention of the appropriate services in the republic whose duty it is to protect human health to the occurrence of elevated radioactivity. In our handling of this, which had been so well-developed and used during the Chernobyl catastrophe, everything was done to minimize the results obtained, to cover them up, and finally to place them under lock and key. Those whose duty it is to protect the population behaved the same way as during Chernobyl; they placed themselves at the service of protecting "higher goals" (read—nuclear programs and their own interests).

But while the moral aspect of this activity is accessible (and indeed well-known) to the broad public, that other aspect—the specialized aspect—which utterly exposes the protagonists of this activity, is well-known only to a small number of specialists, mainly nuclear physicists and radioecologists. Those who are well-informed found enough in the statement of those "protectors" on the

television program "24 Hours" (Radio-Television Belgrade, 31 October 1989) to discover the utter untenability of assertions that in connection with this increase of radioactivity "we can all sleep peacefully," or, still worse, "that no one on this globe would have done anything" in connection with such an occurrence.

There are at least two indisputable facts that indicate that there are grounds for doing a great many things "on this earth," indeed right here in our own community. On that program, Dr Dragisa Filimonovic, responsible for the health service, said that the level of radiation was negligible compared to that in the time of Chernobyl, when the radioactivity of precipitation, according to him, was 600,000 becquerels per square meter! That is the first mention of that value which was alleged by the researchers whose results are now being denied. Earlier, the official "science" and our "protective bureaucracy" admitted the figure of only 50,000 becquerels per square meter for our region! Thus, just as in many other cases, every result of Chernobyl which did not suit the "higher goals" was altered, which requires a serious scientific and moral reassessment so as to finally arrive at the truth

about Chernobyl, its consequences, and its people. If the first fact calls into question the moral standing of that participant on the TV program, the second attacks the professional competence of Dr Radoslav Radovanovic, a physicist who also took part in that program. He and his fellow speakers on the program said that this activity was of natural origin and came in part from Chernobyl. But how then are we to interpret the presence of short-lived fission isotopes? Where did he misplace them? They cannot, of course, come from nuclear waste, but they could come from Krsko or from some other nuclear installation.

Although the level of this radioactivity was not such as to arouse great concern, it is of concern because of its type. But this I hope will be dealt with with new studies. But it remains to be seen in the near future whether a much greater danger will be dealt with—the danger from people who manipulate the truth and who impose upon us their own disastrous "higher goals." That is why I think that our "mini-Chernobyl" is rather a Chernobyl of our consciences and morality than a Chernobyl of radioactive radiation.

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